215693 - Impact of devaluation of a currency on debts and stolen items

the question

If someone stole some money twenty years ago, should he return the same amount of money to the owner now, even though there has been severe devaluation in the value of the currency?
Is there a difference in the ruling between loans and other kinds of debt?

Detailed answer

Praise be to Allah.

If it is proven that something must be repaid because of misappropriation, theft, or delay in paying off a debt, then it must be repaid according to its value on the day it was taken, because the one who misappropriated, stole or delayed repayment is a transgressor, so he is fully liable for any harm that resulted from his transgression.

But if what was stolen was a specific item, then he is liable for any resulting loss in value.

With regard to other debts, it makes a difference whether the change in the value of the currency is minor or major:

If the change is minor and amounts to less than one-third of the debt, then the same amount must be returned, regardless of the current value.

But if the change is major, and amounts to one third or more of the value, then the matter must be rectified by splitting the difference between both parties.

If the value needs to be worked out, then it should be worked out on the basis of the price of gold at the time of the debt, or according to its purchasing value at that time, then it may be paid off in a currency other than that in which the loan was made.

We have discussed this matter in detail, quoting the opinions of the scholars, in the answer to question no. 220839.

For more information, please see also the answer to question no. 99642

And Allah knows best.