21886 - Insurance on credit cards

the question

If we want to get a credit card such as Visa or Mastercard, then insurance on it is compulsory, so that if it is stolen or if money is stolen from someone else through it, compensation will be paid by the insurance company.

Detailed answer

Praise be to Allah.

This insurance is haraam and is not permissible. It is a type of gambling, which Allaah has forbidden in His Book. Allaah says (interpretation of the meaning):

“O you who believe! Intoxicants (all kinds of alcoholic drinks), and gambling, and Al-Ansaab (stone altars for sacrifices to idols, jinn, etc), and Al-Azlaam (arrows for seeking luck or decision) are an abomination of Shaytaan’s (Satan’s) handiwork. So avoid (strictly all) that (abomination) in order that you may be successful”

[al-Maa’idah 5:90]

The insurance company takes the premium, then if the card is stolen it pays compensation, but if nothing happens it keeps those payments.

Whether a theft will occur or not is something that is unknown, and the amount, if any, that may be stolen if the card is stolen is also unknown. This is obviously deceit and ambiguity.

Their taking the money, if nothing happens, is consuming people’s wealth unlawfully. Allaah says (interpretation of the meaning):

“O you who believe! Eat not up your property among yourselves unjustly except it be a trade amongst you, by mutual consent”

[al-Nisa’ 4:29]

This is in addition to the fact that most credit cards are also subject to conditions that involve riba (usury, interest), etc.