248050 - Ruling on gifts and discounts offered by the bank when loading a debit/credit card

the question

There is a XXXX bank’s payment mobile application called YYYY where you can register your XXXX bank’s Debit/Credit card and every time you do any transaction you can use this app and money will be deducted from your Debit/Credit card and there is separate YYYY’s virtual card where cashback money will be accumulated. This card can also be used if there is sufficient balance in it.
To promote this app XXXX bank has kept some offers like listed below
a) On Mondays recharge ur mobile with minimum Rs. 200 and get Rs 50 cashback.
b) On Tuesdays book Flight/activities on Cleartrip and get 15% cashback.
c) On Friday and Saturday between 11 AM to 1 PM every first 200 customers will get 200% cashback on every recharge done through YYYY app. and some other cashback offers as well Also it has some discounted offers like Shop on ecommerce site and enter the discounted code so you will be getting instant discount of 8%(No cashback).
My questions are
1) Is taking guaranteed cashbacks Haraam?
2) Some YYYY application offers have code which can used at vendors site like ebay and you will get instant discount on your total purchase, Is this also haraam?

Detailed answer

Praise be to Allah.

Firstly:

It is permissible to use a Visa card that is not loaded if the following reservations are avoided:

1. stipulation of interest or a penalty in the event of late payment;

2. charging a fee for issuing the unloaded card that is greater than the actual costs involved;

3. deducting a percentage for withdrawal when the Visa card is not loaded; it is permissible to charge the actual cost only, and anything more than that comes under the heading of riba;

4. buying gold, silver or currencies with an unloaded credit card.

A statement to this effect has been issued by the Islamic Fiqh Council. Please see the answer to question no. 97530.

With regard to loaded or prepaid credit/debit cards, there is nothing wrong with using them, even if the bank charges a fee for issuing them or for making withdrawals with them that is greater than the actual costs, because what the bank charges in this case is not in return for the loan – because there is no loan in the first place – rather it is a fee in return for making it possible to use the credit/debit card.

Secondly:

Loading the credit card account is to be understood as being like a loan from the client to the bank, which is like making a deposit in a current account in the bank.

In the statement of the International Islamic Fiqh Council no. 86 (9/3) on the topic of making deposits in bank accounts, that was held during its ninth conference in Abu Dhabi in the United Arab Emirates 1-6 Dhu'l-Qa'dah 1415 AH/1-6 April 1995 CE, it says:

After studying the research papers submitted to the Council on the topic of making deposits in bank accounts, and after listening to the discussion that took place on this topic:

Deposits in current accounts, whether they are in Islamic banks or riba-based banks, are loans from a fiqhi point of view, as the bank will receive these deposits, so it is liable for them and is required, according to sharee'ah, to return that money upon request. The fact that the bank (the borrower) is well off makes no difference to the ruling on the loan. End quote.

Based on that, it is not permissible to accept gifts or rewards from the bank in return for these deposits, because that is a gift in return for the loan, and gifts that are given in return for a loan –

before it is paid off – from one who did not usually give gifts before the loan was given, is prohibited according to the most correct scholarly view, unless the lender deducts it from the debt that is owed to him.

That is because of the report narrated by Ibn Maajah (2432) from Yahya ibn Abi Ishaaq who said: I asked Anas ibn Maalik: What if man gives his brother a loan, then (the borrower) gives him a gift? The Messenger of Allah (blessings and peace of Allah be upon him) said: “If any one of you borrows something then he gives (the lender) a gift or gives him a ride on his riding-beast, he should not accept the gift or the ride, unless they used to treat each other in that manner beforehand.”

Classed as hasan by Shaykh al-Islam Ibn Taymiyah in al-Fataawa al-Kubra (6/159).

Al-Bukhaari narrated in his Saheeh (3814) that Abu Burdah said: I came to Madinah where I met ‘Abdullah ibn Salaam (may Allah be pleased with him). He said to me: You live in a land where riba is widespread. If you are owed something by a man and he gives you a load of figs or a load of barley or a load of fodder, do not take it, for it is riba.

The word translated here as fodder refers to plants that are eaten by animals.

Similar reports were narrated from a number of the Sahaabah.

Ibn Qudaamah (may Allah have mercy on him) said in al-Mughni (4/211):

Every loan in which it is stipulated that more be paid in return is haraam, and there is no difference of scholarly opinion concerning that.

If he stipulates that he rent his house to him for less than the usual rent, or that the house of the borrower should be rented for more than the usual rent, or that he should give him a gift or do some work for him, then it is more emphatically prohibited.

If he does that without it being stipulated before paying off the loan, he should not accept it and it is not permissible to accept it, unless he reciprocates or deducts it from the debt, except in cases

where that was the usual practice between them before the loan, because of the report narrated by al-Athram which states that a man was owed twenty dirhams by a fisherman, so he started to give him fish as a gift and write down the value, until it reached thirteen dirhams. He asked Ibn ‘Abbaas (about that) and he said: Give him seven dirhams.

It was narrated from Ibn Sireen that ‘Umar loaned Ubayy ibn Ka‘b ten thousand dirhams, and Ubayy ibn Ka‘b gave him the produce of his land as a gift, but he returned it and did not accept it. Ubayy came to him and said: The people of Madinah know that my produce is among the best and we have no need of it, so why did you refuse to accept our gift? Then he gave him a gift after that and he accepted it.

It was narrated that Zurr ibn Hubaysh said: I said to Ubayy ibn Ka‘b: I want to travel to the land of jihad, to Iraq. He said: You are going to a land in which riba is widespread. If you give a loan to someone and he brings what he owes you and a gift alongside it, then accept what he owes you but reject his gift. These two reports were narrated by al-Athram.

Al-Bukhaari narrated from Abu Burdah, that Abu Moosa said: I came to Madinah, where I met ‘Abdullah ibn Salaam – and he narrated a hadith in which he said: Then he said to me: You live in a land where riba is widespread. If you are owed something by a man and he gives you a load of figs or a load of barley or a load of fodder, do not take it, for it is riba. End quote.

See also questions no. 49015 and 147775.

So it is not permissible for you to accept these gifts or the discounts that the bank is giving in return for making deposits in the account at a certain time or of a certain amount of money.

And Allah knows best.