2492 - Disposing of riba income received before one came to know that it is haram

the question

A person used to receive interest on his bank deposits. He later learnt it is forbidden (haram) and ceased to receive interest. Later on, he feels he should give out this money to complete the conditions for his repentance (tawba).

However, there are two problems :
1- He cannot calculate the exact amount of all the money
he previously obtained from bank interests.
2- The savings this person has now, are surely less than what
he obtained from bank interest over the years.
Given the above, please answer the following questions :
1- Is it a condition of this person's tawba to give out the exact equivalent of all the money he received from bank interest ?
2- If the answer to the first question is 'yes', then must he immediately give out any amounts as they become available (after providing basic needs for himself and his family) ?
i.e can this person buy things that are not strictly necessities ('Daroorivyaat' i.e. shelter, food, clothes, medicine, transportation) but that are still important ('haajaat', e.g. computer) ?
3- If the answer to the second part of the previous question is 'no', can this person perform hajj, before giving out the equivalent of this bank interest money, with any amounts that become available ?

Detailed answer

Praise be to Allah.

Allah says (interpretation of the meaning):

Those who eat riba (usury) will not stand (on the Day of Resurrection) except like the standing of a person beaten by Shaytaan, leading him to insanity. That is because they say: Trading is only like riba, whereas Allah has permitted trading and forbidden riba. So whosoever receives an admonition from his Lord and stops eating riba shall not be punished for his past; his case is for Allah (to judge); but whoever returns (to riba), such are the dwellers of the Fire they will abide therein.

[al-Baqarah 2:275]

Ibn Katheer, may Allah have mercy on him, said concerning the phrase So whosoever receives an admonition from his Lord and stops eating riba shall not be punished for his past: This means: whoever hears that Allah has forbidden riba should stop as soon as this ruling reaches him, but he can keep whatever he had received before, because Allah says (interpretation of the meaning): Allah has forgiven what is past [al-Maaidah 5:95]. Similarly, on the day of the Conquest of Makkah, the Prophet (peace and blessings of Allah be upon him) said: All riba owing from the time of Jaahiliyyah is under these two feet of mine (when he abolished everything that was owed to the usurers except their capital), he did not command them to return the extra money they had received during the time of Jaahiliyyah. (The phrase) (Allah) has forgiven what is past is akin to the phrase his case is for Allah (to judge). Saeed ibn Jubayr and al-Saddi said: Shall not be punished for his past (means) for what he used to consume of riba before it was prohibited.

(Tafseer Ibn Katheer; the material in brackets has been added for the purpose of clarification).

On the basis of the above, you do not have to repay the interest which you received before you found out that it is haram, but whatever you have received since then must be repaid if you still have it. If it has become mixed with your own money and you do not know the amount, then try to estimate what you think is most likely, and pay that amount.

For more information please see Questions # 824 and 1606.

We ask Allah to accept our repentance. May Allah bless our Prophet Muhammad.