396511 - Ruling on giving zakaah by credit card

the question

Is it permissible to give zakaah by credit card? I have a balance that will cover the amount, and I can pay it without being charged any interest.

Detailed answer

Praise be to Allah.

Firstly:

Types of credit cards

Credit cards are of two types:

1.. Prepaid credit card, in which the individual spends cash that he has already put on the card. There is nothing wrong with this, as in reality it does not involve any kind of credit or loan.

2.. Credit card that is not prepaid, which is regarded as a loan from the bank to the customer. If it is stipulated that the customer should pay more than the actual costs incurred by the bank, then it is a riba-based card, regardless of whether these costs are fees for issuing or renewing the card, or making cash withdrawals with it, or it is stipulated that a penalty will be charged for any delay in paying off the balance.

If there is no stipulation that anything extra be charged, then it is a permissible kind of card.

The Islamic Fiqh Council has issued a statement to this effect, in which it says: It is not permissible to issue or use non-covered [not pre-paid] credit cards if interest is stipulated, even if the card applicant is determined to pay within the free period.

See the full text of the statement in the answer to question no. 97530 .

Secondly:

Giving zakaah by credit card

As it is established that it is not permissible to issue or use a credit card for which a penalty is stipulated in the event of any delay in payment, by the same token it is not permissible to use such a card, even if the customer is determined not to delay payment, because of what this involves of approving of riba, in addition to the possibility that he may delay a payment and actually fall into riba.

With regard to this ruling, there is no differentiation between buying a product or paying zakaah with the credit card; all of that is haraam.

But if he does give zakaah using the credit card, the zakaah is valid and acceptable, and he has fulfilled his duty, regardless of whether he did that deliberately or was unaware of the ruling, but the burden of sin will be waived if he was not aware and did not know.

To explain further, the one who takes out a riba-based loan takes possession of the money, so the riba-based loan – even though it is haraam and reprehensible – confers ownership, according to the correct view. This is the view of the Hanafis and Hanbalis, and it is one view of the Shaafa'is. In other words, the one who takes out an interest-based loan takes possession of the money that he borrows, and he must pay it back.

Thus it is valid for him to give his zakaah from that money, or to engage in all kinds of permissible transactions, although he incurs the sin of riba from which he must repent, and the sin of taking out a riba-based loan is connected to the the borrower, not to the money itself.

Based on that, it is not permissible for you to give your zakaah by using a credit card that stipulates payment of interest or a penalty in the event of any delay in payment. The one who does that deliberately is sinning by doing so. However, the ruling is that his zakaah is valid and he

has discharged his duty with regard to zakaah.

And Allah knows best.