# 46515 - Ruling on selling on consignment

**the question**

What is the ruling on selling on consignment?.

**Detailed answer**

Praise be to Allah.

Selling on consignment means that a person buys some goods and agrees with the seller that if he does not manage to sell them, then he will return them to the seller; whatever he sells of them he will have bought them.

The scholars clearly stated that this kind of transaction is not allowed, because it involves ambiguity. Neither the seller nor the buyer knows how much will be bought, and whether all or some or none of the goods will be returned.

It is narrated that the Prophet (peace and blessings of Allaah be upon him) forbade ambiguous transactions. Narrated by Muslim (1513). An ambiguous transaction is any in which the outcome is unknown.

Ibn Qudaamah said in al-Mughni (6/325):

If he stipulates that if the product is sold, that is fine, otherwise he will return it, this is an invalid condition, but does it invalidate the sale? There are two opinions. Al-Qaadi said: the texts from Ahmad indicate that the transaction is valid. This is the view of al-Hasan, al-Sha'bi, al-Nakha'i, al-Hakam, Ibn Abi Layla and Abu Thawr. The second view is that the transaction is invalid. This is the view of Abu Haneefah and al-Shaafa'i, because it is an invalid condition, so it invalidates the transaction. End quote.

Shaykh Ibn 'Uthaymeen (may Allaah have mercy on him) was asked about selling on consignment

and he said:

What this means is when a person says, I sell these goods to you and whatever you manage to sell is what you have bought, and whatever you do not manage to sell, give it back to me. This transaction is haraam, because it inevitably involves ambiguity, because neither the buyer nor the seller knows how much of these products will be sold, so the matter is unknown, and it is narrated that the Messenger (peace and blessings of Allaah be upon him) forbade ambiguous transactions, and this is undoubtedly an ambiguous transaction.

But if it is necessary for the two parties to do the transaction in this manner, the seller should give his goods to the other party to sell as his agent, and pay him for his work as an agent. This will serve the interests of both parties, and the second party will be an agent of the first and be paid for that, and there is nothing wrong with this. End quote.

Liqaa’aat al-Baab il-Maftooh, 3/183.