70279 - Ruling on using CASHU credit cards

the question

Recently there have appeared prepaid cards for shopping online, called CASHU. The way they work is as follows:

1. First you buy the basic card for 55 riyals to open an account.
2. After that, you can buy cards of different prices to load your account. For example, there are ten-dollar cards which you buy for 42 riyals, and there are thirty-dollar and fifty-dollar cards, up to three hundred dollars.
3. The card is valid for one year, after which you cannot use the card, even if there is still money left on it, unless you pay a renewal fee of ten dollars.

For more information, you can see the company's site on the Internet: www.cashu.com

Please advise us about this matter, may Allah reward you with good.

Detailed answer

Praise be to Allah.

Firstly:

What appears to us to be the case regarding these cards is that it is permissible to buy these cards and use them to buy things, on condition that they are not used to buy things for which it is stipulated (in Islamic teaching) that the exchange take place on the spot. Therefore it is not allowed to use them to buy different currencies, or gold and silver, because the Prophet (blessings and peace of Allah be upon him) forbade buying and selling gold and silver unless the transaction is done hand-to-hand (on the spot), and paper currency comes under the same ruling as gold and silver in that it is required that transactions be done hand-to-hand.

It was narrated that ‘Ubaadah ibn as-Saamit said: The Messenger of Allah (blessings and peace of Allah be upon him) said: “Gold for gold, silver for silver, wheat for wheat, barley for barley, dates for dates, salt for salt, like for like, same for same, hand to hand. But if these commodities differ, then sell as you like, as long as it is hand to hand.” Narrated by Muslim (1587).

In a statement from the Islamic Fiqh Council belonging to the Muslim World League, it says:

1. It is not permissible to exchange one kind of paper currency for another, or for gold or silver, or any other type of currency, with a deferred exchange. So, for example, it is not permissible to sell Saudi riyals for another currency of a different amount with a deferred payment, unless it is a hand-to-hand exchange.
2. It is not permissible to sell paper currency for a different amount of the same currency, whether the exchange is deferred or hand-to-hand. So, for example, it is not permissible to sell ten Saudi riyals for eleven Saudi riyals, whether the exchange is deferred or hand-to-hand.
3. It is permissible to exchange currencies of different types, with no restriction, if the exchange is done hand-to-hand. So it is permissible to sell Syrian or Lebanese liras for Saudi riyals, whether in the form of paper money or silver, or less than that, or more; and it is permissible to sell one American dollar for three Saudi riyals, or less than that, or more – if it is hand-to-hand. Similarly, it is permissible to sell one silver Saudi riyal for three paper Saudi riyals, or less than that or more, hand-to-hand, because this is regarded as selling things of different categories, and it does not matter that they share the same name, when in reality they are different. End quote.

Islamic Fiqh Council of the Muslim World League (fatwa no. 59)

Secondly:

The end of the validity period of the card without using it does not make it impermissible, because negligence occurred on the part of the cardholder. So in reality, it is like renting a car or apartment and not using it during the rental period.

And Allah knows best.