8995 - Workers “pooling” money

the question

A friend whose words I trust in sha Allah told me that Shaykh Ibn Baaz (may Allaah have mercy on him) said in one of his lessons that it is haraam for people to “pool” their money. How true is this?.

Detailed answer

Praise be to Allah.

What is well known is that Shaykh ‘Abd al-‘Azeez ibn Baaz said that it is permissible for people to “pool” their money, but some of the scholars disagreed with him, such as Shaykh Saalih al-Fawzaan who said that such transactions are haraam in his book al-Bayaan li Akhta’ Ba’d al-Kuttaab (p. 377-380).

The Council of Senior Scholars issued a statement on the ruling on this “money-pooling”, the text of which is as follows:

, the Lord of the Worlds, and complete and perfect blessings and peace be upon the best of all of mankind, Muhammad, and upon his family and companions and those who follow his guidance until the Day of Judgement.

In its thirty-fourth session, held in the city of al-Taa’if from 16/2/1410 AH to 26/2/1410 AH, the Council of Senior Scholars examined the requests for fatwas submitted by some employees, teachers and others, to the President of the Ministry for Academic Research and Issuing Fatwas and Da’wah and Guidance, which were passed on by His Excellency to the Council for a ruling on workers “pooling” their money and the way in which this is done, which is that a number of people who usually work in one place, such as a school or department, etc., all agree to pay an equal amount of money at the end of the month, then the entire amount is given to one of them; the following month the amount is given to another one, and so on until each one of them has received the same amount as the others, no more and no less.

The committee also examined a study prepared by Shaykh ‘Abd-Allaah ibn Sulaymaan al-Munayyi’ concerning the ruling on loans which lead to benefits, then they discussed the issue, and the majority of the council decided that there was no reason to disallow this kind of transaction, because the benefits gained by the lender do not detract from the money of the borrower, rather the borrower benefits equally because all of the participants benefit and none of them is adversely affected or gains more than another. There is nothing in the pure sharee’ah that forbids benefits in which no one is adversely affected, rather it prescribes such things.

And Allaah is the Source of strength. May Allaah send blessings upon our Prophet Muhammad and upon his family and companions.

The Council of Senior Scholars, Majallat al-Buhooth al-Islamiyyah, 27/349, 350

With regard to Shaykh Ibn Baaz (may Allaah have mercy upon him), he issued a fatwa stating that these “money pools” are permissible. He was asked about the ruling on them and said: There is nothing wrong with that. It is a loan in which there is no condition that one person benefits more than another. The Council of Senior Scholars looked into that and decided by a majority vote that that is permissible because it benefits all participants and no one is adversely affected. … and Allaah is the Source of strength.

Fataawa Islamiyyah, 2/413.