



Bank Schemes

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<QUESTION>

My friend is in need of a debit card (interest free transactions)...but for him to obtain this he must upgrade to a new account. The new account offers many new features which come hand in hand with the upgrade such as, student discounts on flights, shopping vouchers, etc. what is worrying is that they offer health insurance and other insurance based schemes. Now these schemes are always available to him and come part of the package but he does not have to pay for them and although they are available to him, he can not use them if he wishes. As he needs the debit card, he doesn't intend indulging in the haram schemes. Is it permissible to upgrade his account on this basis?

<ANSWER>

In the name of Allah, Most Compassionate, Most Merciful,

Depositing and keeping money in an interest-bearing/savings account is a munkar (evil) and considered unlawful by most contemporary scholars. The International Islamic Fiqh Academy consisting of top major world-scholars unanimously issued a resolution that any returns on bank deposits (since they are loans) is a form of the unlawful and prohibited Riba. (See: Qararat wa tawsiyyat, Majma' al-Fiqh al-Islami, p: 22)

As such, if upgrading to a new account means opening an interest-bearing account, then this is not permitted, even for the purpose of acquiring a debit card.

However, if the new account is a non interest-bearing one, it would be permitted to upgrade to it and benefit from the various features it provides on the condition that one avoids unlawful schemes such as health insurance and other insurance-based schemes.

And Allah knows best

Muhammad ibn Adam

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