



Selling Permissible Items But Referring To Conventional Financing

Question #: q-14001397

Date Posted: 2007-04-10

<QUESTION>

I sell water treatment systems, and in the process of my sales, if people cannot afford the product upfront, I have to have them fill out a financing agreement. With this the people have to pay interest. My company does not charge the interest, as the financing is done by third parties, nor does it collect interest, as we only get what the customer would pay upfront from the financing companies. So then would it be haram for me to be a part of the writing of the deal?

<ANSWER>

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

Your job as a water treatment systems seller is, in of itself, permitted and the wages earned Halal.

However, it is not permitted for you to assist others become involved in paying interest (riba) even if the customer pays interest to a third party. As such, if the customer is not able to pay for the product upfront, it is not allowed for you to fill out the financing agreement form that includes the customer paying interest to the financing company.

Allah Most High says:

"Help you one another in righteousness and piety, but help you not one another in sin and rancour." (Surah al-Ma'ida 2)

The jurists (fuqaha) have clearly stipulated that it is unlawful to carry out an action that is a direct cause (sabab) for another person's sin. By you filling in the form, you are directly helping and assisting the customer pay interest.

Is it possible for you to ask your manager to exempt you from having to fill in the form? If the customer is unable to pay at spot, you may just point out to him that there are various financing companies that may cater for your needs and leave the matter at that. But to actually take part in the agreement consisting of paying interest will not be allowed; hence the wages earned on this action will be unlawful.

And Allah knows best

Muhammad ibn Adam

Darul Iftaa

Leicester , UK

Please make a donation to help in the running of Darul Iftaa