

135427 - Selling by Instalments to the One Who Issued Instructions to Buy

the question

I went to someone who has no money to buy a bedroom set for my marriage, then he went with me to the merchant and bought the bedroom set for me for a certain amount. Then he sold it to me in instalments for a higher price than the price for which he bought it. This kind of transaction happens with many people; each person identifies the item he wants to buy, then he buys it for him and sells it to him in instalments. Please note that this person is not specialised in any particular trade. Is this Riba?

Summary of answer

Murabahah transaction for one who issued instructions to buy is permissible on condition that the one who is instructed to make the purchase buys the item for himself and takes possession of it in a real sense before he sells it to the one who gave those instructions.

Detailed answer

This transaction is known as a [Murabahah transaction](#) for the one who gives instructions for the purchase . Dr. Muhammad `Abd Al-Halim `Umar said in his paper At-Tafasil Al-`Amaliyyah li `Aqd Al-Murabahah, which was published in the fifth edition of Majallat Majma` Al-Fiqh Al-Islami:

“[Murabahah](#) may be done in one of two ways that were defined in classical fiqh:

- First: The general or original form. This is when someone buys an item for a certain price, then he sells it to another person for the original price plus an extra amount of profit. In this case he is buying it for himself without any prior request from anyone else, then he offers it for sale on the basis of [Murabahah](#) .

- Second: This has recently been called “Murabahah transaction for one who issued instructions to buy.” How this is done is as follows: one person goes to another and says to him: Buy a particular item which is present (in the market) – or he gives a description of it – and I will buy it from you for the price you bought it for, and I will add a certain amount or percentage of the first price as profit. Although this kind has been called “Murabahah transaction for one who issued instructions to buy” by contemporary jurists, the way it is done has been described by the earlier jurists, as is mentioned in Al-Umm by Ash-Shafi`i (may Allah have mercy on him), in which it says: If one man shows an item to another man and says: Buy this and I will give you such and such profit for it, and the man buys it, this purchase is permissible. Then he said: The same applies if he says: Buy something for me – and he describes it – or buy any item you want and I will give you a profit for it, all of that is the same and the transaction is permissible.”

“[Murabahah transaction for one who issued instructions to buy](#)” is permissible on condition that the one who is instructed to make the purchase buys the item for himself and takes possession of it in a real sense before he sells it to the one who gave those instructions.

It says in Fatawa Al-Lajnah Ad-Da’imah (13/153):

“If someone asks another person to buy a specific car or a car that meets the description he gives, and he promises to buy it from him, and the one who was asked to do so buys it and takes possession of it, it is permissible for the one who asked him to do that to buy it from him after that, whether for cash or by instalments, for a stated amount of profit. This does not come under the heading of selling what one does not possess, because the one who was asked for the product is only selling it to him after buying it and taking possession of it. However, he does not have the right to sell it to his friend, for example, before he has bought it or after he has bought it and before he has taken possession of it, because the Prophet (blessings and peace of Allah be upon him) forbade selling an item in the place where it was bought, until after the merchants have taken it to their own places.”

Thus it is known that if the person with the money goes with the questioner to the merchant and pays for the bedroom set, for example, then the questioner takes it directly from the merchant's store, without the person with the money moving it and taking possession of it and becoming responsible for it, this is not permissible.

Shaykh Ibn `Uthaymin (may Allah have mercy on him) said in Fatawa Nur `Ala Ad-Darb:

“What many people do nowadays, whereby the lender and borrower go to another person who has an item, and the lender buys it then sells it to the borrower when it is still in place and has not been moved, then the borrower sells it to the store owner or someone else before moving it – we know that this transaction is prohibited and is not permissible, beyond any doubt, because it comes under the heading of selling an item in its place, but the Prophet (blessings and peace of Allah be upon him) forbade selling an item in the place where it was bought until the merchants have moved it to their own places.”

What also highlights the fact that it is not allowed is that in this case the owner of the money has made a profit on an item for which he was never liable, while the Messenger of Allah (blessings and peace of Allah be upon him) said: “No profit is allowed on an item unless it has become one's responsibility (for which one is liable)”. (Narrated by At-Tirmidhi, 1234 – he said: This is an authentic Hadith. Also narrated by Abu Dawud, 3504; An-Nasa'i, 4629; Ibn Majah, 2188; Ahmad, 6591. Classed as authentic by Al-Albani in As-Sahihah, 1212)

See also the answer to question no. [36408](#) for information on the conditions of Murabahah sales being permissible.

And Allah knows best.