

226729 - Is it permissible to open current accounts in riba-based banks to make things easier for customers?

the question

I am currently setting up an online store, and I will – by Allah’s leave – in most cases receive payments via bank transfers. Is it permissible to open a current account in all banks, including those that are riba-based, so as to make things easier for customers? That is because each customer will usually have a bank, and if the transfer is made to the same bank, the transfer will be quicker, but if it is from one bank to another, then the transfer may take twenty-four hours, in addition to the imposition of fees on the sender. I intend, by Allah’s leave, to open the accounts and give the customer information on the appropriate account, depending on what bank he uses. In sha Allah I will withdraw the money after it is transferred, and keep it in banks which I know are Islamic.

Summary of answer

There is nothing wrong with opening current accounts – without interest – in riba-based banks, if there is a need for that and there are no Islamic banks that could meet the customer’s needs without much trouble and difficulty.

Detailed answer

With regard to this issue, what is unanimously agreed upon to be prohibited is opening an account in a riba-based bank, depositing money in it, and taking the riba or interest that is paid on it.

As for simply opening an account in these banks without riba or interest – whether that means making deposits as well, or not – this is something concerning which the scholars differed; some of them disallow it and some permit it.

Undoubtedly the most prudent approach is not to open any account at all in any riba-based bank, except in cases of necessity.

One of the needs that make it permissible to do that is the need to protect one's money, or if a person is a businessman and it will be detrimental to his commercial interests if he does not have any accounts in these banks, or his salary is deposited in such a bank and he cannot access it except by opening an account in that bank - and other considerable needs.

A number of trustworthy scholars have stated that a concession is granted allowing that in the case of need.

One of the questions addressed by a charitable organisation called Jam'iyat al-Birr to the Standing Committee for Issuing Fatwas had to do with the fact that the organisation has a number of accounts in local banks, for the purpose of making it easy for donations, subscriptions, zakaah, charity and other funds to reach the organisation via its various accounts, and so as to make it easy for individuals, banks and companies to make payments, as the organisation's accounts were accessible to every organisation or individual. We are presenting this case to you, so that you may advise us as you see fit.

The response was:

There is nothing wrong with opening bank accounts for a charitable or other organisation, if the purpose in doing so is what is mentioned in the question, because that makes things easier for people and removes hindrances. What is prohibited is to open an account for the purpose of prohibited types of investment and taking riba or interest payments on the deposits, because of the hadith which says that the Messenger of Allah cursed the one who consumes riba, the one who pays it, the two who witness it and the one who writes it down.

End quote from Fataawa al-Lajnah ad-Daa'imah (13/375)

Shaykh Ibn Baaz (may Allah have mercy on him) said:

There is nothing wrong with putting money in banks without interest, if there is a need to do so, but if it is possible to deposit it in other types of banks, that is more prudent and is better, acting in accordance with the words of the Prophet (blessings and peace of Allah be upon him): “Leave that which makes you doubtful that which does not make you doubt.” And he (blessings and peace of Allah be upon him) said: “Whoever avoids that which is dubious will have protected his religious commitment and his honour.”

End quote from Majmoo‘ Fataawa Ibn Baaz (19/413).

Shaykh Ibn ‘Uthaymeen (may Allah have mercy on him) said: If you need to open an account in a riba-based bank, there is nothing wrong with it, but if you do not need to do so, then do not do it.

End quote from Liqa’ al-Baab al-Maftooh (22/180).

Shaykh ‘Abd al-‘Azeez ar-Raajih was asked:

What is the ruling on opening a current account in riba-based banks if one does not take the interest that is paid on it?

He said: If a person needs to do that or is compelled to do so, there is nothing wrong with it, but he should not take the interest. But if he can do without that, that is preferable.

End quote from Fataawa Munawwa‘ah (23/35)