

305491 - Ruling on discounts and cashback offered by e-wallet apps

the question

Nowadays, Many Android/ios Apps such as E-Wallets offer cashbacks for using their App, Customers can use these apps as per their need,for instance,

1. Transferring money to other's Bank Ac
2. Shopping At these apps(buying goods or services directly from it)
3. Shopping at other shops, But paying through these wallets

Thus, for each of the above mentioned uses we get cashback from the app, is it halal?

Detailed answer

Firstly:

There is nothing wrong with using the e-wallet for transferring money or buying things, but it is essential to ascertain that the exchange will take place immediately - meaning that the money will reach the seller's account at the time of purchase - if the customer is going to buy gold, silver or currencies, because it is stipulated that the exchange must take place immediately when buying these things.

Secondly:

What may be understood from the question is that the purchaser will get cashback from the apps that provide the e-wallet.

If what is meant is that the app obtains discounts from sellers for the users of the app, there is nothing wrong with that.

But if the app gives the users cash or gifts, in order to encourage them to use the app and deposit money in it, or they announce that whoever loads credit of 200 rupees, for

example, will get 50 rupees cashback, this is an unlawful type of gift.

That is because putting money in the e-wallet is regarded as a loan to the organisation that provides the app, and it is not permissible to accept gifts in return for a loan, because of the report narrated by Ibn Majah from Yahya ibn Abi Ishaq, who said: I asked Anas ibn Malik about a man among us who gives his brother a loan, then (the borrower) gives him a gift. He said: The Messenger of Allah (blessings and peace of Allah be upon him) said: "If any one of you borrows something then he gives (the lender) a gift or gives him a ride on his mount, he should not accept the gift or the ride, unless they used to treat each other in that manner beforehand." Classed as hasan by Shaykh al-Islam Ibn Taymiyah in *al-Fatawa al-Kubra* (6/159).

Al-Bukhari narrated in his *Sahih* (3814) that Abu Burdah said: I came to Madinah, where I met 'Abdullah ibn Salam. He said to me: You are living in a land in which riba is prevalent, so if someone owes you something and he gives you a gift of a load of straw, or a load of barley, or a load of foodstuff, do not accept it, for it is riba.

It says in *al-Ma'ayir ash-Shar'iyah*, p. 325: It is not permissible for the borrower to give a specific gift to the lender or to benefit him in any way during the loan period, if that is because of the loan, meaning that that was not something habitual between them before the loan. End quote.

It says in *Qararat al-Hay'ah ash-Shar'iyah li Masraf ar-Rajih* (1/542), statement no. 355 regarding the distribution of specific gifts, such as bishts and watches to customers with current accounts, credit cards or insurance:

It is not permissible to give specific gifts, especially to holders of current accounts or some of them, because that comes under the heading of prohibited forms of loans that bring benefits. End quote.

And Allah knows best.