



# RISK OF USURY (RIBA)

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Usury (Riba), in law, is a payment of interest, by a borrower to a lender for the use of money, gold or silver in excess of the amount fixed by the lender.

The charging of different prices or installment payments, as compared with sales for cash, does not make a transaction usurious. Service charges incurred in making the loan likewise are not usurious, unless they can be shown to be a disguise for excessive interest.

Riba is a Major sin; it is a very big destruction of economy and morality of the society, In the Qur'aan, Allaah ﷻ does not declare war on anyone except the people who deal in riba:

﴿يَمْحَقُ اللَّهُ الرِّبَا وَيُرِي الصَّدَقَاتِ وَاللَّهُ لَا يُحِبُّ كُلَّ كَفَّارٍ أَثِيمٍ﴾  
﴿٢٧٦﴾ إِنَّ الَّذِينَ ءَامَنُوا وَعَمِلُوا الصَّالِحَاتِ وَأَقَامُوا الصَّلَاةَ وَءَاتَوْا  
الزَّكَاةَ لَهُمْ أَجْرُهُمْ عِنْدَ رَبِّهِمْ وَلَا خَوْفٌ عَلَيْهِمْ وَلَا هُمْ يَحْزَنُونَ  
﴿٢٧٧﴾ يَا أَيُّهَا الَّذِينَ ءَامَنُوا اتَّقُوا اللَّهَ وَذَرُوا مَا بَقِيَ مِنَ الرِّبَا إِن كُنتُمْ  
مُؤْمِنِينَ ﴿٢٧٨﴾ فَإِن لَّمْ تَفْعَلُوا فَأْذَنُوا بِحَرْبٍ مِّنَ اللَّهِ وَرَسُولِهِ ۗ وَإِن تُبْتُمْ  
فَلَکُمْ رُءُوسُ أَمْوَالِکُمْ لَا تَظْلِمُونَ وَلَا تُظْلَمُونَ ﴿٢٧٩﴾ وَإِن  
كَانَ ذُو عُسْرَةٍ فَنَظِرَةٌ إِلَىٰ مِيسِرَةٍ وَأَن تَصَدَّقُوا خَيْرٌ لَّکُمْ إِن  
کُنتُمْ تَعْلَمُونَ ﴿٢٨٠﴾ وَاتَّقُوا یَوْمًا تُرْجَعُونَ فِیهِ إِلَى اللَّهِ ثُمَّ تُوفَّی  
کُلُّ نَفْسٍ مَّا کَسَبَتْ وَهُمْ لَا یُظْلَمُونَ ﴿٢٨١﴾ ﴿سورة البقرة﴾

“Allâh will destroy Ribâ (usury) and will give increase for Sadaqât (deeds of charity, alms, etc.) And Allâh likes not the disbelievers, sinners. Truly those who believe, and do deeds of righteousness, and perform As-Salât (Iqâmat-as-Salât), and give Zakât, they will have their reward with their Lord. On them shall be no fear, nor shall they grieve. O you who believe! Be afraid of Allâh and give up what remains (due to you) from Ribâ (usury) (from now onward), if you are (really) believers. And if you do not do it, then take a notice of war from Allâh and His Messenger but if you repent, you shall have your capital sums. Deal not unjustly (by asking more than your capital sums), and you shall not be dealt with unjustly (by receiving less than your capital sums). And if the debtor is in a hard time (has no money), then grant him time till it is easy for him to repay, but if you remit it by way of charity, that is better for you if you did but know. And be afraid of

the Day when you shall be brought back to Allâh. Then every person shall be paid what he earned, and they shall not be dealt with unjustly.” (Surah al-Baqarah (2): 276 - 281)

This is sufficient to explain the abhorrence of this deed in the sight of Allaah ﷻ.

One may easily determine the extent of its devastation, whether at the individual or the international level, caused by dealing with riba - such as bankruptcy, recession, economic stagnation, inability to repay loans, high unemployment, collapse of many companies and institutions, etc. Daily toil has become a never-ending struggle to pay off interest on loans and societies have become class-ridden structures in which huge wealth is concentrated in the hands of a few. Perhaps all this is a manifestation of the war threatened by Allaah to those who deal in riba.

Everyone who has something to do with riba, whether he is one of the main parties involved or is a middleman or facilitator, has been cursed by Prophet Muhammad ﷺ.

Jaabir رضي الله عنه reported that the Messenger of Allaah ﷺ cursed “... the one who consumes riba, the one who gives it to others, the one who writes it down and the one who witnesses it.” Prophet Muhammad ﷺ said: “They are all the same.” [Reported by Muslim, 3/1219]

Based on this, it is not permitted to take up work that involves writing interest-based contracts and conditions, paying or receiving riba, depositing it or guarding it. Generally speaking, it is prohibited (haraam) to be directly or indirectly involved with riba in any way, shape or form.

The Prophet ﷺ was keen to explain the ugliness of this major sin. ‘Abdullah ibn Mas’ood reported that the Prophet ﷺ said: “There are seventy-three types of riba, the least of which is as abhorrent as a man having intercourse with his own mother, and worst of which is (violating) a Muslim’s honor and sanctity.” [Reported by al-Haakim in al-Mustadrak, 2/37; see also Saheeh al-Jaami 3533]

Abdullah ibn Handalah reported that the Prophet ﷺ said: “Knowingly consuming a dirham of riba is worse for a man than committing adultery thirty-six times.” [Reported by Imaam Ahmad, 5/225; see also Saheeh al-Jaami’, 3375]

The prohibition on riba does not just apply to deals between rich and poor, as some people think; it is a general prohibition that applies to every person and every situation. How many rich people and big businessmen have gone bankrupt because of riba!

The least harm riba does is to destroy the blessing (barakah) of the money, even if a person's wealth is great. The Prophet ﷺ said: "Even if riba is much, it will end up being a small amount." [Saheeh al-Jaami', 3542.]

This does not refer to whether the ratio of interest is high or low; all types of riba is haraam,

In spite of the enormity of this sin, Allaah ﷻ has told and explained us how to repent from it. Allaah says to those who deal in riba.

﴿ وَإِنْ تَبْتُمْ فَلَكُمْ رُءُوسُ أَمْوَالِكُمْ لَا تَظْلِمُونَ وَلَا تُظْلَمُونَ ﴾

(سورة البقرة)

"... but if you repent, you shall have your capital sums. Deal not unjustly (by asking more than your capital sums), and you shall not be dealt with unjustly (by receiving less than your capital sums)."

(Surat al-Baqarah (2): 279)

This is typical justice. The believer must despise this major sin and feel its abhorrence, even if he puts his money in interest-based banks because he has no other choice and is afraid that his money may be lost or stolen otherwise. He should feel that he is being compelled by necessity to do this.

At the same time, he should seek the forgiveness of Allaah and try to find an alternative if he can. He is not permitted to ask the bank for interest, and if the bank deposits it in his account, he must get rid of it in whatever way is permissible. This money cannot be counted as sadaqah (charity), because Allaah is pure and accepts only that which is pure. He cannot benefit from this money by using it to buy food, drink, clothing, etc...; he cannot use it to fulfill obligations such as spending on his wife, child or parents, rather, he should just get rid of it, for fear of the wrath of Allaah ﷻ.

Some scholars suggest giving the riba money to any poor Muslim.

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