

## Receiving Benefits On The Condition Of A Specific Amount In A Current Account Is Interest

Ref: IEC.0112

Date:21-11-2023

What is the ruling of Islamic scholars and jurists regarding the following issue: Nowadays, using a bank account has become a necessity, and various types of accounts are being introduced. A private bank has introduced an account called "Ikhtiyar Account" specifically for the business community. The features of this account are as follows:

- The account holder will be provided with insurance. If the account holder dies in an accident, the bank will provide financial assistance of up to Rs 1 million to the deceased's heirs, provided the terms and conditions are met.
- If there is an amount of Rs 5,000 in the account every month, no service charges of Rs 50 will be deducted.
- If there is an amount of 25,000 in the account every month, the annual PayPak debit card fee of Rs 1,500 will not be charged. If the amount falls below 25,000 in any month, the debit card fee of Rs 1,500 will be charged.
- If Rs 25,000 is maintained in the account every month, the cheque book will be provided free of charge.

My question is, is it permissible to open this account? Since this is a current account where no interest is earned, kindly provide a detailed response with evidence.

## Answer

بسم الله الرحمن الرحيم  
الجواب بعون الملك الوهاب اللهم هداية الحق والصواب

The money deposited in current accounts in banks is considered a loan. Offering conditional benefits on a loan is considered interest, whether the benefit is in the form of money, tangible items, or other advantages. Hence, according to Islamic principles, it is not permissible to open such an account because various benefits are conditional upon maintaining specific amounts in the account. For example, if a certain amount is maintained, a specific conditional benefit will be provided, and if another amount is maintained, another conditional benefit will be given. All these are interest-based dealings. Other than that, insurance is also an interest-based product therefore one must avoid it as well.

Any conditional benefit given on the basis of a loan is considered interest. As stated in a hadith:

”كل قرض جرم منفعة فهو ربا.“

Translation: Every loan that brings a benefit is interest.

(Kanz-ul-Ummal, Hadith 15516, Vol. 6, p. 238, Beirut)

From a Shariah perspective, the amount deposited in current accounts in banks is a loan. Allama Alauddin Haskafi (رحمة الله عليه) writes in Dur-ul-Mukhtar about the definition of a loan:

”شرعا: ما تعطيه من مثلي لتتقاضاه.“

Translation: In Shariah, a loan is something you give from the category of fungible items with the intention to take back the similar.

(Durr-ul-Mukhtar, Vol. 5, p. 161, Beirut)

The holder of the Ikhtiyar Account enjoys various conditional benefits based on the loan, which is not permissible. Allama Shami (رحمة الله عليه) states in Radd-ul-Muhtar:

”إنه لا يحل له أن ينتفع بشيء منه بوجه من الوجوه وإن أذن له الراهن لأنه أذن له في الربا لأنه يستوفي دينه كاملاً فتبقى له المنفعة فضلاً، فتكون ربا وهذا أمر عظيم.“

Translation: It is not permissible for the lender to benefit in any way from the borrower's property, even if the pledgor permits it, because this permission is permission of interest. This is because when the lender recovers the full loan, any additional benefit derived is not against anything and hence will be interest, which is a grave matter.

(Radd-ul-Muhtar, Vol. 5, p. 166, Beirut)

When Imam-e-Ahle-Sunnat Imam Ahmad Raza Khan (رحمة الله عليه) was asked about deriving benefits from pledged items based on a loan, he said:

”کسی طرح جائز نہیں۔“

Translation: It is not permissible in any way.

(Fatawa Razawiyya, Vol. 25, p. 217, Raza Foundation, Lahore)

Sadrush-Shariah Badrut-Tariqah Mufti Muhammad Amjad Ali A'zami (رحمة الله عليه) states:

”یوہیں (قرض دینے والا) کسی قسم کے نفع کی شرط کرے ناجائز ہے۔“

Translation: Similarly, if the lender stipulates any benefit, it is not permissible.

(Bahar-e-Shariat, Vol. 2, p. 759, Maktaba tul Madinah, Karachi)

والله اعلم عز وجل ورسوله اعلم صلى الله تعالى عليه وآله وسلم

Written by

Abu Muhammad Mufti Ali Asghar Attari Madani

10th Rabi-ul-Awwal 1445 AH / 26th September 2023

Translated By Maulana Abdul Wajid Madani