13341 - Selling a product at different prices to different customers

the question

A brother works in a Muslim Shoe store. However the owners frequently change the price on the items.

Example, for person A, the item may cost $50 and for person B it would be $90 even though the true price of the item (labelled on it) is $ 60.
Is it permissable to change prices like this? Is this fair trade?.

Detailed answer

Praise be to Allah.

The vendor should sell the item for the price for which it is sold in the marketplace; if he sells it for a price different from that for which it is sold in the marketplace, one of two scenarios must apply:

1 – He sells it for less than its market value, such as if he wants to do a favour for one of his friends. This is permissible and there is nothing wrong with it, and the seller should not be stopped from doing that unless he intends to cause harm to other merchants, because the Prophet (peace and blessings of Allah be upon him) said: “There should be neither harming no reciprocating harm.” Narrated by Ibn Maajah, 2340; classed as saheeh by al-Albaani in al-Irwa’, 896.

2 – He sells it for more than the market value. If he sells it for slightly more, such as selling something that is worth twenty for twenty-two, then this is permissible because it is something that usually happens and people tolerate it.

But if the price is greatly increased, and the purchaser does not know the usual price – such as if he sells something that is usually worth sixty for ninety, as mentioned in the question – then this is not permissible, and is a kind of cheating and deception. In this case the purchaser has the option, if he is told of the situation, of returning the goods.

See al-Mughni, 4/18

Shaykh Ibn ‘Uthaymeen (may Allah have mercy on him) was asked:

What is the ruling on merchants who sell things for different prices to different people, even though it is the same product? So he sells it to one person for ten, to another for twenty, and to a third for five? Is this permissible or not?

He replied:

If this variation is caused by fluctuations in the market, or the price of this product goes up one day and down the next, then there is nothing wrong with selling it at the market price, and there is nothing haraam in that. But if this variation occurs because of the purchaser’s skill in bargaining – so if he sees that he is not clever in bargaining he will increase the price, and if he sees that he is clever in bargaining then he will give him a lower price – then this is not permissible, because it is a kind of deception and insincerity. It was proven in the hadeeth of Tameem al-Daari that the Prophet (peace and blessings of Allah be upon him) said: “Religion is sincerity.” It was said: “To whom, O Messenger of Allah?” He said: “To Allah, to His Book, to His Messenger, to the leaders of the Muslims and to their common folk.” Narrated by Muslim, 55.

Just as he would not like anyone else to do that to him, how can he agree to do that to his Muslim brothers? One should sell according to the normal prices in the place where he is doing business, and not give one price to one person and one price to another, because of the gullibility of the buyer.

But if he does a favour to some of his friends by lowering the price, there is nothing wrong with that and no sin on him, or if he sells the goods at the market price, then another man comes along who is skilled in bargaining and he lowers the price for him, there is nothing wrong with that, because that does not go beyond the normal price. Fatawa li’l-Tujjaar wa Rijaal al-A’maal, p. 42

And Allah knows best.