134621 - What Prophet Muhammad Said about Business

the question

I would like to learn about the Sunnah of doing business. How did the Prophet (blessings and peace of Allah be upon him) do business? How did he describe products, exchange them, return them, and so on?

Summary of answer

Prophet Muhammad’s advice on business:
1- He used to enjoin traders to be righteous and honest and to give charity.
2- He used to enjoin people to be tolerant and easy-going in buying and selling.
3- He used to give people their rights and urge others to do likewise.
4- He used to urge people to let a buyer cancel the transaction if he regrets it.
5- He used to bargain with people when buying, but he would not go so far as to undermine the real value of the item
6- He used to urge people to give a little more when weighing.
7- He used to enjoin people to give more time for a debtor who is in financial difficulty, or to waive the debt.
8- He forbade transactions involving Riba and transactions involving ambiguity.

Detailed answer

Praise be to Allah.

Prophet Muhammad’s advice on business

We can sum up the teachings of the Prophet (blessings and peace of Allah be upon him) with regard to doing business, buying and selling, as follows:

· The Prophet (blessings and peace of Allah be upon him) worked in business before his mission began, with his paternal uncle Abu Talib, and he also worked for Khadijah (may Allah be pleased with her), and he travelled for that purpose to greater Syria. He also did business in the markets; Majannah and ‘Ukath were markets during the Jahiliyyah [the pre-Islamic era] to which merchants would come to buy and sell.

· The Prophet (blessings and peace of Allah be upon him) used to engage directly in transactions himself, as we shall see below in the Hadith about the camel of ‘Umar and the camel of Jabir (may Allah be pleased with them both). He also used to appoint one of his companions to do that for him, as in the case of ‘Urwah ibn Abu Al-Ja‘d Al-Bariqi (may Allah be pleased with him), who said that the Prophet (blessings and peace of Allah be upon him) gave him a Dinar to buy a sacrificial animal or a sheep for him. He bought two sheep and sold one for a Dinar, and he came back with a sheep and a Dinar. He (the Prophet (blessings and peace of Allah be upon him)) prayed for blessing for him in his business dealings, and (after that) if he had bought dust he would have made a profit. (Narrated by At-Tirmidhi, 1258; Abu Dawood, 3384; Ibn Majah, 2402; classed as authentic by Al-Albani in Sahih At-Tirmidhi.)

· The Prophet (blessings and peace of Allah be upon him) used to enjoin traders to be righteous and honest and to give charity.

It was narrated that Hakim ibn Hizam (may Allah be pleased with him) said: The Messenger of Allah (blessings and peace of Allah be upon him) said: “The two parties to a transaction have the option (of cancelling it) until they part. If they are honest and disclose any defects, their transaction will be blessed, but if they lie and conceal defects the blessing of their transaction will be erased.” (Narrated by Al-Bukhari, 1973 and Muslim, 1532)

It was narrated from Isma`il ibn `Ubayd ibn Rifa`ah from his father from his grandfather that he went out with the Prophet (blessings and peace of Allah be upon him) to the prayer place, and he saw the people engaging in trade. He said: “O merchants!” and they responded to the Messenger of Allah (blessings and peace of Allah be upon him), craning their necks and looking up at him. He (blessings and peace of Allah be upon him said, “The merchants will be raised on the Day of

Resurrection as evildoers, apart from those who fear Allah and are sincere and honest." (Narrated by At-Tirmidhi, 1210; Ibn Majah, 2146; classed as authentic by Al-Albani in Sahih At-Targhib, 1785).

It was narrated that Qays ibn Abu Gharazah (may Allah be pleased with him) said: The Prophet (blessings and peace of Allah be upon him) used to say: "O merchants, selling involves idle talk and oaths, so mix it with Sadaqah (charity)." (Narrated by At-Tirmidhi, 1208; Abu Dawood, 3326; An-Nasa'i, 3797; Ibn Majah, 2145; classed as authentic by Al-Albani in Sahih Abu Dawood.)

· The Prophet (blessings and peace of Allah be upon him) used to enjoin people to be tolerant and easy-going in buying and selling .

It was narrated from Jabir ibn 'Abdullah (may Allah be pleased with him) that the Messenger of Allah (blessings and peace of Allah be upon him) said: "May Allah have mercy upon a man who is easy-going when he sells and when he buys and when he asks for payment." (Al-Bukhari, 1970)

Ibn Hajar (may Allah have mercy on him) said:

"In this Hadith it is encouraged to be easy-going in transactions, to have the most sublime of attitudes, and to avoid miserliness, and it is encouraged to avoid putting pressure on people when asking for payment, and to take from them what they can afford." (Fath Al-Bari, 4/307)

Examples of the tolerance and easy-going nature of the Prophet (blessings and peace of Allah be upon him) include the following:

1. It was narrated that Ibn 'Umar (may Allah be pleased with him) said: We were with the Prophet (blessings and peace of Allah be upon him) on a journey, and I was riding on a recalcitrant young camel belonging to 'Umar. It kept getting the better of me and kept going ahead of the people, so 'Umar kept checking and making it go back. Then it went on ahead and 'Umar checked it and made it go back. Then the Prophet (blessings and peace of Allah be upon him) said: "Sell it to me." He said: It is yours, O Messenger of Allah. He said: "Sell it to me." So he sold it to the Messenger of Allah (blessings and peace of Allah be upon him) and the Prophet (blessings and

peace of Allah be upon him) said: “It is yours, O ‘Abdullah ibn ‘Umar; do with it whatever you will.” (Narrated by Al-Bukhari, 2610)

2. It was narrated from Jabir ibn ‘Abdullah (may Allah be pleased with him) that he was riding on a camel of his that had become exhausted to the point that he wanted to let it go. He said: The Prophet (blessings and peace of Allah be upon him) caught up with me and offered supplication for me, and he hit it and the camel started moving (energetically) as I had never seen it move before. He said: “Sell it to me for one Uqiyah.” I said: No. He (blessings and peace of Allah be upon him) said: “Sell it to me.” So I sold it to him for one Uqiyah and stipulated that I be allowed to ride it home. When I arrived I brought the camel to him, and he gave me its price, then I left. He sent someone after me and said: “Did you think that I bargained with you in order to take away your camel? Take your camel and its price; they are both yours.” (Narrated by Al-Bukhari, 1991 and Muslim, 715)

· The Prophet (blessings and peace of Allah be upon him) used to give people their rights and urge others to do likewise.

It was narrated that Abu Hurayrah (may Allah be pleased with him) said: A man was owed a camel of a certain age by the Prophet (blessings and peace of Allah be upon him), so he came to him to ask him to repay him, and he said: “Give him.” They looked, but they could not find anything but a camel that was older than his, so he said: “Give him.” He said: You have paid me back in full, may Allah reward you. The Prophet (blessings and peace of Allah be upon him) said: “Verily the best of you are those who are the best in paying off debts.” (Narrated by Al-Bukhari, 2182 and Muslim, 1601)

· The Prophet (blessings and peace of Allah be upon him) used to urge people to let a buyer cancel the transaction if he regrets it.

It was narrated that Abu Hurayrah (may Allah be pleased with him) said: The Messenger of Allah (blessings and peace of Allah be upon him) said: “Whoever lets a Muslim off (a transaction), Allah will relieve him of his distress on the Day of Resurrection.” (Narrated by Abu Dawud, 3460 and Ibn

Majah, 2199; classed as authentic by Al-Albani in Sahih Abu Dawud)

Letting someone off means being easy-going and agreeing to cancel a sale or purchase; it is indicative of generosity of spirit.

What is meant by letting someone off a sale is: if someone buys something from a man, then regrets his purchase, either because he feels that he did not get a good deal, or because he no longer has any need of it, or because he does not have the wherewithal to pay for it, so he returns the item to the seller and the seller agrees to take it back, Allah will remove his hardship and distress on the Day of Resurrection, because of his kindness towards the buyer, because the transaction has been finalised, so the purchaser could not cancel it." (`Awn Al-Ma`bud)

· The Prophet (blessings and peace of Allah be upon him) used to bargain with people when buying , but he would not go so far as to undermine the real value of the item, as we have seen above in the Hadith about the camel of Jabir (may Allah be pleased with him).

It was narrated that Suwayd ibn Qays (may Allah be pleased with him) said: Makhramah Al-`Abdi and I brought some garments from Hajar to Makkah. The Messenger of Allah (blessings and peace of Allah be upon him) came to us on foot and bargained with us for some trousers, and we sold them to him. (Narrated by At-Tirmidhi, 1305 – he said: it is authentic. Also narrated by Abu Dawud, 3336, An-Nasa'i, 4592 and Ibn Majah, 2220)

· The Prophet (blessings and peace of Allah be upon him) used to urge people to give a little more when weighing.

It was narrated that Suwayd ibn Qays (may Allah be pleased with him) said: The Messenger of Allah (blessings and peace of Allah be upon him) saw a man who weighed things for a fee and the Messenger of Allah (blessings and peace of Allah be upon him) said to him: “Weigh and give a little more.”

This is the continuation of the Hadith quoted above.

· The Prophet (blessings and peace of Allah be upon him) used to enjoin people to give more

time for a debtor who is in financial difficulty, or to waive the debt.

It was narrated that Abu Al-Yasar (may Allah be pleased with him) said: The Prophet (blessings and peace of Allah be upon him) said: “Whoever waits for one who is in (financial) difficulty (to pay a debt) or waives it for him, Allah will shade him in His shade.” (Narrated by Muslim, 3006)

· The Prophet (blessings and peace of Allah be upon him) forbade transactions involving Riba (usury) , transactions involving ambiguity, ‘Einah transaction [which involve selling something for a price to be paid at a later date, then buying it back from the same person who bought it for a lower price to be paid immediately], dealing in prohibited things, and cheating and deception.

The evidence for that is abundant and well-known.

How did Prophet Muhammad run his business?

We do not have details on his buying and selling in all of his commercial transactions, because his (blessings and peace of Allah be upon him) trading was done during the Jahiliyyah, when he was not yet a Prophet such that his actions would be transmitted from his companions. But what has been narrated of his Sunnah is sufficient, in sha Allah.

For more details, please see this category: Business and Financial Transactions

And Allah knows best.