26789 - Ruling on depositing money in riba-based banks

the question

What is the ruling on depositing money in riba-based banks?

Detailed answer

Praise be to Allah.

Putting money in the bank to get monthly or annual interest is a kind of riba that is haraam according to scholarly consensus. If it is simply deposited without interest, it is still wiser not to do that except in cases of necessity if the bank is one that deals with interest, because depositing money in the bank, even if no interest is involved, is still helping them to conduct their riba-based transactions, so there is the fear that the person who does that may be counted as one of those who help others in sin and transgression, even if he does not intend to do so. So we must beware of that which Allaah has forbidden and look for acceptable ways of saving our money and disposing of it. May Allaah help the Muslims to do that which will lead to their happiness, honour and salvation, and make it easy for them to work quickly to establish Islamic banks that are free of riba-based transactions, for He is Able to do that.

May Allaah send blessings upon our Prophet Muhammad and his family and companions.