

23346 - Ruling on depositing money in the bank, and interest

the question

We are indian citizens.we deposite money in the bank...how to deal with the interest given by banks.

Detailed answer

Firstly:

Depositing money in the bank in return for interest is riba (usury), which is a major sin. Allah says (interpretation of the meaning):

“O you who believe! Be afraid of Allah and give up what remains (due to you) from Ribaa (from now onward) if you are (really) believers.

279. And if you do not do it, then take a notice of war from Allah 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)” [Al-Baqarah 2:278-279]

If a Muslim is forced to put his money in the bank, because he cannot find any other means of keeping his money safe apart from putting it in the bank, then there is no sin in that, in sha Allah, subject to two conditions:

1-That he does not take any interest in return

2-That the bank does not deal only with interest, rather it should have some other activities that are permissible in which it invests the money deposited. See questions no. [22392](#) and [49677](#)

It is not permissible to make use of the interest (riba) which the banks pay to their customers. They must get rid of it by donating it to charitable causes.

The Scholars of the Standing Committee for Issuing Fatwas said:

The interest which the banks pay to depositors on the money that they deposit in them is regarded as riba (usury). It is not permissible to make use of this interest, and the customer must repent to Allah from depositing his money in riba-based banks. He should withdraw the money that he deposited and the interest, keep the original amount and donate the extra to charity, to the poor and needy or for renovating public facilities etc. Fatawa Islamiyyah, 2/404

And Shaykh ‘Abd al-‘Azeez ibn Baaz (may Allah have mercy on him) said:

With regard to the interest that the bank gives to you, do not give it back to the bank and do not keep it, rather spend it on charitable causes such as giving it to the poor, renovating public washrooms, helping debtors who are unable to pay off their loans, etc. Fatawa Islamiyyah, 2/407

And Allah knows best.