

322309 - Ruling on PayPal charging a set fee plus a percentage of the money transferred in return for transferring it

the question

I have a question concerning PayPal, which most business people on the Internet deal with, as do most global companies on the Internet, to the extent that one can hardly do without it nowadays. But this company makes deductions, for example for its service of transferring money from one account to another, the fee is approximately 4.4% plus \$0.30. Thus it combines a percentage and a set fee. My question is: what is the ruling on using PayPal, because it combines a percentage and a set fee for one service (4.4% plus \$0.30). Please note that you can hardly do without PayPal nowadays. Is there any blame on me if I use PayPal to send and receive money?

Detailed answer

It is permissible to send money and transfer it from one person to another in return for a set fee.

The majority of scholars stipulate that the fee should be of a set amount, and it is not permissible for it to be a percentage, although that is permitted by the Hanbalis.

With regard to combining a set fee and a percentage, a report stating that that is permissible was narrated from Ahmad (may Allah have mercy on him), and that is also the view of some of the early generations (the salaf). Ibn Qudaamah (may Allah have mercy on him) said: If, along with the percentage, he also charges a known number of dirhams, that is not permissible. That was stated by Ahmad, but it was also narrated from him that it is permissible.

The correct view is the first one. Abu Bakr said: This is an old view, and what is narrated other than that is the view to be followed.

Al-Athram said: I heard Abu 'Abdillah say: There is nothing wrong with it if you give yarn to a weaver to weave cloth for you in return for one third or one quarter of it. He was asked about a man who gives yarn to a weaver to weave it into cloth, in return for one third of the cloth plus

one or two dirhams. He said: I would not like that, because this is something that we have never heard of. As for one third, without adding anything to it, in our view that is permissible, because of the hadith of Jaabir, according to which the Prophet (blessings and peace of Allah be upon him) gave the land of Khaybar to the Jews, for them to cultivate it in return for half of the yield. It was said to Abu 'Abdillah: What if the weaver does not accept it unless he takes one third of the product and one dirham? He said: Then give him one third plus two tenths of one third, or half of one tenth, and the like [in other words, increase the percentage, but do not give him a set fee].

Al-Athram narrated from Ibn Sireen, an-Nakha'i, az-Zuhri, Ayyoob and Ya'la ibn Hakeem that they regarded that as permissible. End quote from al-Mughni (5/9).

Shaykh Ibn 'Uthaymeen (may Allah have mercy on him) said: ... But some people say: if we give them a set fee, there will be a problem, which is that the workers will mess about and will not produce anything.

In order to avoid this problem, the worker may be given a percentage of what he produces, so it may be said to him: You will have your monthly wage as agreed upon, and for every metre you produce you will have such and such, or for every garment you make – if he is a tailor – you will have such and such, or for every unit – if he is an electrician – you will have such and such.

End quote from Liqaa' al-Baab al-Maftooh (9/12).

Based on that:

There is nothing wrong with PayPal charging a set amount, in addition to a percentage of the money transferred, in return for sending it to a person or company.

For more information, please see also the answer to question no. [131273](#).

And Allah knows best.