

590 - Late payment charges

the question

Assalamu alikum

My question concerns bills related to telephone or university tuition. If you delay the payment of the telephone bill they add an extra amount by a certain percentage of the bill and if you further delay by another month an extra amount is added to the previous total using the same percentage on the whole amount.

Are these extra amounts riba or if it is not riba is it still haram to pay this extra amount?

Jazakallah kheir

Detailed answer

Al-hamdu lillaah.

Yes, this extra amount is undoubtedly considered ribaa, as the longer period for payment they allow you the more they increase the amount for you to pay. You need to refuse this kind of transaction. If you are forced, then pay the original sum without the extra amount. If you are forced to pay the extra amount, then pay it while offering repentance to Allaah and committing not to deal in such transactions again.