102655 - Ruling on receiving salary via a riba-based bank and keeping part of it in that bank

the question

I am a Moroccan man. I work in a company and I used to receive my salary directly from my employer. But he decided to transfer my salary to the bank. What is the ruling on such a transaction? I will not withdraw all my salary from the bank at the end of the month. Is this permissible or not?.

Detailed answer

Praise be to Allah.

Riba-based banks are institutions that are based on evil and corruption, because they are based on a system that is one of the major sins, namely riba. Hence they are institutions that are opposed to Allaah and His religion. The warning against consuming riba includes all those who establish these institutions and participate in them, and deposit their money with them, and who give permission for them to be established and so on. So let the Muslim beware of having any connection to these institutions unless he is forced to do so and cannot find any alternative.

Among the cases of necessity that exist nowadays is what some countries and public and private institutions do, where they give their employees their salaries and dues via riba-based banks. This action is haraam for these parties, because it strengthens the position of those banks, but there is no sin on the employee if he receives his salary through those riba-based banks, but that is subject to certain conditions:

1 – That the employee cannot find any other way apart from that riba-based bank. If he can receive his salary directly from his employer or through an Islamic bank, then he has no excuse.

2 – That he should not leave any part of his salary with that riba-based bank, otherwise he will be supporting them.

The solution for the one who has no choice but to use those banks is to open a current account and have his salary transferred to it. It is well known that current accounts are less serious than savings accounts, as current accounts are readily accessible and the bank cannot make use of these funds.

The scholars of the Standing Committee said:

There is nothing wrong with taking salaries that are paid via the bank, because you are taking it in return for your work for someone other than the bank. But that is subject to the condition that you do not leave it in the bank after it has been transferred to you because of the interest. End quote.

Shaykh ‘Abd al-‘Azeez ibn Baaz, Shaykh Saalih al-Fawzaan, Shaykh ‘Abd al-‘Azeez Aal al-Shaykh, Shaykh ‘Abd-Allaah ibn Ghadyaan, Shaykh Bakr Abu Zayd.

Fataawa al-Lajnah al-Daa’imah (13/288, 289).

Shaykh Muhammad ibn Saalih al-‘Uthaymeen (may Allaah have mercy on him) said:

There are some organizations, companies and others, who make their employees open bank accounts in order to transfer their salaries to the bank. If a person cannot receive his salary except by this means, there is nothing wrong with it, and he may open an account, but he should not open an account with his own money, i.e., he should not put a penny of his own money in it, but with regard to receiving his salary via this means, there is nothing wrong with it. End quote.

Liqaa’aat al-Baab il-Maftooh (111/question no. 10).

There is nothing wrong with leaving money in the riba-based bank in order to protect it, but that is subject to certain conditions which have been explained in the answer to question no. 22392.

And Allaah knows best.