146931 - Exchanging gold for gold and cash

the question

There is a new phenomenon among gold dealers whereby, if a person comes with various types of gold jewellery with the aim of exchanging it for some other kind, the seller can weigh the gold to buy the same weight of jewellery of the same kind, but he asks for much more than the gold. Is this riba? Please advise us, may Allah reward you

Detailed answer

Praise be to Allah.

In the name of Allah, the Most Gracious, the Most Merciful. May Allah send blessings and peace upon the Messenger of Allah and his family and Companions, and those who follow his guidance.

It is proven that the Noble Prophet (blessings and peace of Allah be upon him) said concerning gold: “Gold for gold, like for like, same for same, hand to hand.” If this goldsmith or seller of the gold asks for more than the weight, then he has fallen into riba. If the weight of the jewellery is 20 mithqaals and his gold is of the same weight, but he wants extra cash along with the exchanged gold, this is not permissible because this cash is in return for part of what he is giving, so he will be selling gold for a lesser amount of the same, and the Messenger (blessings and peace of Allah be upon him) said, “Like for like, same for same.” The point is that if he sells gold for gold, it has to be equal amounts, and cannot be more, whether it is more of the same or something else. If one of them adds cash or some other goods, this is riba, because the Messenger (blessings and peace of Allah be upon him) said: “Like for like, same for same, hand to hand.” Thus it is known that this is a type of riba. End quote.

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