

**Answer to Question**

**No Waiver for Car except after Receiving the Full Installments**

To: Mahmoud Natour  
(Translated)

**Question:**

Assalamu alaykom wa rahmatullah wa barakatuhu,

My question to you, my sheikh, is that car dealers and car shows when selling the car to the customer in installments, they do not waive it except when cashing the last cheque. Is it permissible to buy in this way?

**Answer:**

Wa alaykom assalam wa rahmatullah wa barakatuhu,

We had already given a detailed answer on this subject on 24/5/2015, and it appears that you have not seen it, so I recount it to you:

This issue is known in Fiqh as “Withholding the Product (as a Collateral) for its Price” i.e. that the product to be sold will be kept as a security with the seller until the buyer pays its price. This situation does not arise if the seller and buyer were of the character that the Prophet (saw) described in the Hadeeth extracted by Bukhari on the authority of Jabir Ibn Abdullah (ra): «رَجِمَ اللَّهُ رَجُلًا سَمَحًا إِذَا بَاعَ، وَإِذَا اشْتَرَى، وَإِذَا اقْتَضَى» **“Allah’s mercy is on the well-mannered man when he sells, buys, and take a loan”**.

Whereas sometimes they differ around receiving the product first or payment first, and the seller might withhold the product as collateral until he receives its price, thus giving rise to this situation. The Fuqaha differed regarding this issue, some permit it on conditions, and other say it is prohibited, and there are some who permit it in some cases and prohibit it in others... and so on.

After studying this issue my view is inclined towards the following:

**First: Type of product**

1. That the product is measurable, weighed, or planted...etc. like the sale of rice, cotton, textiles...etc.
2. That the product is not measurable, weighed...etc., like selling of a car, house, or animal...etc.

**Second: Sales Price**

1. Up-front i.e. in cash, like buying a product for ten thousand in cash up front.
2. Deferred payment for a given period, like buying the product for ten thousand but is paid after a year.
3. That some of the payment is paid up-front and the other part is deferred, like buying the product with the first payment of five thousand, and the other five is paid after a year for example, or is paid in monthly installments.

**Third: The Shariah ruling differs according to how the above matters differ:**

**The first case: The product is not measurable and not weighted... such as the selling of the house or a car or an animal:**

1. The up-front payment, like buying a car for ten thousand in cash, and that it is documented in the contract.

In this case, the seller may withhold the product, which remains with him as a collateral until the up-front payment is made according to the contract. The evidence for this is the Hadeeth narrated by Tirmidhi which is classified a Hasan Hadeeth. On the authority of Abi Umamah, he said: I heard the Prophet (saw) say in the sermon in the Farewell Pilgrimage: «الْعَارِيَةُ مُؤَدَّاةٌ، وَالزَّعِيمُ غَارِمٌ، وَالذَّيْنُ مَقْضِيٌّ» **“What is borrowed is rendered, and the guarantor is responsible, the debt is paid.”**

Zha'eem: guarantor, Gharim: liable, and the evidence is in his (saw) saying: «وَالذَّيْنُ مَقْضِيٌّ» **“the debt is paid”**. If the buyer receives the product prior to paying the cost, it is buying on loan. And «وَالذَّيْنُ مَقْضِيٌّ» **“the debt is paid”** i.e. **the priority is to pay the debt as long as long as the purchase is in cash**, in other words to pay the price first as long as the price in the contract must be in cash up front ... **Al-Kasaani says in Bada'i As-San'i commenting on the Hadeeth (his saying (peace be upon him) «وَالذَّيْنُ مَقْضِيٌّ» “the debt is paid”, the Prophet (peace be upon him) described the debt of being paid in general or Mutlaq, if the payment is delayed for the delivery of the product then this debt is not paid). This is contrary to the text.**

Thus it is permissible for the seller to withhold the product until the buyer pays its price, and so there will be no debt, **and this is in agreement with the contract because the sale was not by debt but in cash.**

2. The price is deferred, in the case of buying a car with ten thousand which is paid after one year; **in this case it is not permitted to withhold the merchandise until the completion of the payment of the price because the price is deferred in the contract by the seller's approval.** He is not permitted to withhold the product to ensure the price payment as long as he had sold it for a deferred price, so he annulled his right to withholding the product, and therefore it is not permissible for him to withhold the product, but should deliver it to the buyer.

3. The price can be both up-front and deferred, like buying the car with the first five thousand paid off in cash, and the other five thousand paid after one year at once, or paid later in installments.

In this case it is allowed for the buyer to withhold the product until the up-front payment is received, after which he is not permitted to withhold the product, because of the completion of the deferred payment, this is for what we mentioned in the points 1 and 2.

**In conclusion, it is permitted for the seller to withhold the product for the up-front price payment, i.e. if in the contract it stipulates that the payment is up-front and immediate, it is permitted for the seller to withhold the product until the buyer pays off the up-front cost payment according to the contract.**

It is incorrect to ask how the buyer will withhold his product before receiving it, i.e. before he owns it. This is because to hold a product as collateral (*Rahn*) is not allowed except if it is allowed to be sold. Since the product bought is not allowed to be sold except after receiving it according to the Hadeeth of the Prophet (saw) narrated by Al-Bayhaqi, from Ibn Abbas who said: The Prophet (saw) said to l'taab Bin Usaid: فانهم عن بيع ما لم «إني قد بعثتك إلى أهل الله، وأهل مكة، فانهم عن بيع ما لم يقبضوا» **“I have sent you to the people of Allah, and the people of Makkah, forbid them from selling that which they did not receive”**

And the Hadeeth that was narrated by At-Tabarani from Hakeem Bin Hizam that he said: O Messenger of Allah I sell using various transactions, which is permissible for me and which is prohibited? He (saw) said: «لَا تَبِيعَنَّ مَا لَمْ تَقْبِضْ» **“Do not sell that which you do not receive.”**

These Hadeeths clearly state the prohibition of selling that which is not received, how is it then that the product is kept as collateral before it is received?

This is incorrect because these two Hadeeths are for the products which are measured and weighed... but if the product is other than that like a house or an animal, then it is allowed to sell it before receiving it based on the Hadeeth of the Prophet of Allah (saw) narrated by Bukhari from Ibn Umar (ra), he said, **فَكُنْتُ عَلَى بَكْرٍ صَعْبٍ لِعُمَرَ، فَكَانَ يَغْلِبُنِي، فَيَتَقَدَّمُ أَمَامَ الْقَوْمِ،** **فَقَالَ النَّبِيُّ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ لِعُمَرَ: «بِعْنِيهِ»، قَالَ: هُوَ لَكَ يَا رَسُولَ اللَّهِ، فَيَرْجُرُهُ عُمَرُ وَيَرُدُّهُ، ثُمَّ يَتَقَدَّمُ، فَيَرْجُرُهُ عُمَرُ وَيَرُدُّهُ، فَقَالَ النَّبِيُّ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ: «هُوَ لَكَ يَا عَبْدَ اللَّهِ بْنِ عُمَرَ، تَصْنَعُ بِهِ قَالَ: «بِعْنِيهِ» فَبَاعَهُ مِنْ رَسُولِ اللَّهِ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ،** **فَقَالَ النَّبِيُّ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ: «هُوَ لَكَ يَا عَبْدَ اللَّهِ بْنِ عُمَرَ، تَصْنَعُ بِهِ مَا شِئْتِ»** **«We were travelling with the Prophet ﷺ, I was riding a rebellious camal's calf that belonged to Omar, I could not control it, it would precede the lines of, then Omar would yell at it and push it back, this was repeated, then the Prophet ﷺ said to Omar: "Sell it to me". So Omar said, "It is yours O Prophet of Allah," then I said to the Prophet ﷺ: "Sell it to me" so He ﷺ did. The Prophet ﷺ said, "It is yours O Abdullah Ibn Omar, do what you please with it".**

This action in the merchandise was as a gift before receiving it, which shows the full ownership of the product before receiving it, and shows that selling it is permitted because it was owned by its seller.

**Hence it is allowed to hold a product as a collateral before receiving it (cost payment), as long as it is allowed to be sold before receiving it, but this is only if the product is non-measurable or weighed like a house, a car, an animal, and so on. In case of conducting a purchase contract of up-front payment or there is a sum of advanced payment, then it is allowed to withhold the product as a collateral until receiving the price, until the up-front payment or the lump sum of the up-front payment is paid.**

**The Second Situation: the product is from the measurable and weighed category,** like buying amounts of rice, cotton, or textiles, in this situation, it is prohibited to withhold the product for its price, whatever the nature of the payment of the price may be: up-front or postponed, or deferred payment in a lump sum or in installments:

If the price is up-front payment, it is prohibited to withhold the product as we explained above.

If the price should be paid in advance, it is not allowed to withhold the product, i.e. to hold it as collateral, because it is not allowed to hold the measured or weighed products as a security before receiving the price, according to the above-mentioned Hadeeth of the Prophet (saw). In the case of the up-front payment, the buyer has to deal with it in two ways:

Either to sell the goods in advanced payment and give it to the buyer and have patience with the buyer, whether he gives the price in advance or after a while without holding the goods as a collateral... or not to sell the goods, i.e. without any collateral for the merchandise.

**Thus if the measurable or weighed products are sold for the up-front payment or deferred payment, it is not permitted for the seller to withhold the goods as a collateral with him until the payment of the price.**

**This is what I think is most preponderant and Allah Knows Best and is Most Wise.**

Your brother,

Ata Bin Khalil Abu Al-Rashtah

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**The link to the answer from the Ameer's Facebook page:**

<https://www.facebook.com/HT.AtaabuAlrashtah/posts/2693702570875750>