There is nothing wrong with buying from companies that sell by instalments if the product is in their possession

A company that sells by instalments is asking for a percentage on the price of a car, varying between 6 and 8%. It takes from the purchaser information about the car he wants then buys it and registers it in the name of the customer, after completing their procedures. What is the ruling on that?.

Praise be to Allaah.

There is nothing wrong with that, if the product is owned by the company and is in their possession. There is no reason why they should

not sell it for a certain price, some of which is to be paid on the spot and some to be paid later on, or all of it to be paid later on, in instalments large or small.

But it must be after the company takes possession of the car.
But there is nor eason why the one who wants to buy should not describe the
kind of car that he wants or the kind of land that he wants, then the company can buy it and take possession of it, then sell it after that to him or to someone else, and the one who wants to buy is not under any obligation to do so until the sale transaction is done after the company has acquired the item in question. End quote.