

285242 - He opened an account in the bank, and they gave him life insurance for free

the question

I opened a salary account and I got a life insurance for free and the banker said you should swipe the card in order to keep the insurance valid or else it will be rejected I really don't need this insurance as it is Haram but daily life requires some swipe sometimes so what should I do? Do I not swipe at all and have electronic transactions only? And one more thing if I don't swipe for 3 months the insurance will be rejected so should I wait for 3 months?

Detailed answer

Praise be to Allah.

Firstly:

With regard to opening an account in a riba-based bank, in principle, what is agreed upon is that what is prohibited in this regard is opening an account in a riba-based bank, depositing money in it, and taking the interest that is paid on it.

As for simply opening an account in such banks without interest – whether one deposits money or not – this is a matter concerning which the scholars differed as to whether it is disallowed or permissible.

Undoubtedly it is more prudent, and more on the safe side, not to open any account in a riba-based bank, unless there is a need that dictates doing so.

Among the needs which would make doing that permissible is the need to protect one's money, or if a person is engaged in trade and his commercial interests will be adversely affected if he does

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not have accounts in such banks, or if his employer only pays salaries by depositing them in bank accounts, and he cannot receive it unless he opens a bank account, and other such genuine needs.

A number of trustworthy scholars have stated that concessions are allowed in the case of such needs.

Please see the answer to question no. [226729](#).

Secondly:

It is permissible to use debit cards to make withdrawals.

As for credit cards, they are not permissible unless they are free of features concerning which there are reservations according to Islamic teachings. See the answer to question no. [97530](#).

Thirdly:

Commercial insurance is prohibited in all forms, because it is based on riba (usury) and gambling.

See the answer to question no. [36955](#).

If the bank gives you life insurance without you requesting it, then you have to refuse it, because a gift in return for a loan is haraam.

The way in which a current account in the bank to be described from a shar'i point of view is that it is a loan from you to the bank, so you must refuse this insurance. If you can only refuse it by refraining from using the credit card for a while, then you must do that.

It says in a statement of the International Islamic Fiqh Council no. 9/3/86, regarding bank accounts:

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After studying the research papers submitted to the Council on the topic of savings accounts, and after listening to the discussion that took place on this topic, and the discussion on current accounts, whether they are in Islamic banks or riba-based banks, [the Council determined that these accounts are to be regarded] from a shar'i point of view as loans, because the bank becomes liable for the money deposited in these accounts, and is obligated according to shari'ah to return the money upon request. The ruling that it constitutes a loan is not affected by the fact that the bank (the borrower) is very well off. End quote.

Al-Bukhaari narrated in his Saheeh (3814) that Abu Burdah said: I came to Madinah and met 'Abdullah ibn Salaam (may Allah be pleased with him). He said to me: You live in a land where riba is widely practised. If a man owes you something and he offers you a load of straw, or a load of barley, or a load of clover, do not accept it, for it is riba. Clover is a plant eaten by animals.

Similar reports were narrated from a number of the Sahaabah.

And Allah knows best.