

121759 - Ruling on discount coupons

the question

Here in Kuwait, discount coupons are distributed to university students, for a discount between 5-25% for many places, such as restaurants, clothing stores and bookstores, et cetera. These discounts are obtained by buying coupons for the discounts, the cost of which is five dinars. There are some people who say that this price covers advertising costs or other expenses of the company that distributes these coupons. Is it permissible to buy these coupons and use them?

Detailed answer

Praise be to Allah.

Discount coupons that are issued by advertising and marketing companies, or by travel companies, or some shopping centres, which give a certain discount on the prices of goods and services offered by a group of companies or other organisations, may be divided into two categories.

- 1.. Coupons that are obtained in return for payment through an annual subscription.
- 2.. Free coupons which are obtained as gifts to purchasers to encourage them to buy from companies. They may be given for free to anyone whose purchases reach a certain limit.

As for the coupons which are obtained in return for payment, they are haraam, because they involve several infractions of Islamic teachings, including the following:

- 1.. Ambiguity, because the purchaser pays a certain amount of money for the coupons, with the aim of obtaining a discount, but it is not known how much this discount really is. He may not use

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the coupon, or he may use it and get a discount that is less or more than what he paid. The Messenger of Allah (blessings and peace of Allah be upon him) forbade transactions involving ambiguity. Narrated by Muslim (1513). This includes every transaction in which there is an unknown element.

2.. This transaction is based on risk, because there may be gain or loss. The purchaser risks the amount he paid in return for the coupons, then he will either gain if he gets a discount that is greater than what he paid, or he will lose, if the discount is less than what he paid. This is the essence of gambling which is prohibited according to Islamic teachings:

{O you who have believed, indeed, intoxicants, gambling, [sacrificing on] stone alters [to other than Allah], and divining arrows are but defilement from the work of Satan, so avoid it that you may be successful} [al-Maa'idah 5:90].

3.. These coupons deceive people, cheat them and take their wealth unlawfully, because most of these promised discounts are illusionary and are not real.

Many shopkeepers raise their prices, then give the impression to the coupon holder that they are giving him a discount, when in fact the discount is on the increase they made when they raised the price above the price in other stores.

4.. These coupons often cause disputes, because the company that issues the coupons has no power to compel shopping centres, companies and stores to give the percentage of discount that was agreed upon, and that leads to disputes and conflicts.

Whatever is a cause of dispute, conflict and rancour must be disallowed, as Allah, may He be exalted, says (interpretation of the meaning):

{Satan only wants to cause between you animosity and hatred through intoxicants and gambling and to avert you from the remembrance of Allah and from prayer. So will you not desist} [al-

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Maa'idah 5:91].

5.. These types of coupons are detrimental to the shopkeepers who do not participate in the discount program.

“Dealing with the coupons mentioned leads to the stirring up of enmity and rancour among shopkeepers, between those who participate in the discount program and those who do not participate, as products sell out in the stores that give the discount, whereas those who do not participate in the discount program get stuck with products that do not sell.”

Fataawa al-Lajnah ad-Daa'imah (14/10).

6.. The subscription fees paid for these coupons are not in return for any real gain. If the purchaser asks the shopkeeper to give him the discount, he may get the discount that was promised by those who sold the coupons, or a similar discount, or he may not get any discount at all, in which case he will have paid for the coupon without getting anything in return. This comes under the heading of consuming people's wealth unlawfully, which is prohibited according to the Qur'anic text (interpretation of the meaning):

{O you who have believed, do not consume one another's wealth unjustly } [an-Nisa' 4:29].

The Fiqh Council of the Muslim World League issued a statement in its eighteenth session stating that it is prohibited to deal in these coupons. Among other things, they stated:

“After listening to the research presented on this topic and a great deal of discussion, it was determined that it is not permissible to issue or purchase the discount coupons mentioned, if that is in return for payment of a specific price or an annual subscription, because of what that involves of ambiguity. That is because the one who purchases the coupon pays money but does not know what he will get in return for it, thus loss is certain in return for possible gain.”

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Similarly, the Permanent Committee for Ifta' stated that it is prohibited to deal in this type of discount coupons. This was also stated in fatwas issued by Shaykh Ibn Baaz and Shaykh Ibn 'Uthaymeen (may Allah have mercy on them both).

See: *Fataawa al-Lajnah ad-Daa'imah* (14/6) and *Fataawa Ibn Baaz* (19/58).

With regard to free coupons that are offered to purchasers without them having to pay anything in return, there is nothing wrong with using them and benefitting from them, because giving coupons for free comes under the heading of a gift, and ambiguity with regard to gifts is overlooked.

Moreover, if the one who receives a free coupon does not use it to get a discount, he does not lose anything.

This was mentioned in a statement of the Fiqh Council in which it said: "If the discount coupons are issued for free, without having to pay anything, then issuing them and accepting them is permissible according to Islamic teachings, because it comes under the heading of a promise of a gift.

For more information, please see:

Bitaaqaat at-Takhfeed: Haqeeqatuha at-Tijaariyyah wa Ahkaamuha ash-Shar'iyyah, by Shaykh Bakr Abu Zayd.

Al-Hawaafiz at-Tijaariyyah at-Tasweeqiyyah wa Ahkaamuha fi'l-Fiqh al-Islami by Dr, Khaalid al-Muslih.

And Allah knows best.