

Fuliza M-Pesa, A Continuous Flowing of Riba

News:

Kenyans borrowed Sh1.32 billion daily from Safaricom's overdraft facility Fuliza between April and September this year, underlining increasing reliance on loans for household use. This was revealed by Safaricom on Wednesday, which posted a Sh37.055 billion net profit for the half year to September 30 boosted by higher M-Pesa revenue. Safaricom's financial results show that the company disbursed Sh242.6 billion in the 183-day period, a 62.4 per cent increase from a similar period last year when it loaned out Sh149.4 billion through the facility.

Comment:

The idea of fast and reliable financial access to debt in Kenya especially among the poor Kenyans and middle income earners has been transformed into a simple Swahili word 'Fuliza' meaning 'continuously flowing'. Safaricom owned by British multinational telecommunications company, Vodafone group introduced 'Fuliza Mpesa' in 2019, which is owned by three financial entities Safaricom 40%; KCB (Kenya Commercial Bank) 40% and CBA Commercial Bank of Africa 20%. It is a service that allows M-PESA customers to complete their M-PESA transactions when they have insufficient funds in their M-PESA account.

Fuliza is an overdraft facility on your MPESA Account where you'll be able to purchase something via MPESA even if you have insufficient funds. It is the Safaricom's most popular Loan Product and allows customers to access and secure credit by overdrawing on MPESA to cover a short come cash flow subjected to predetermined limits. With the interest rate of 1.1% and a daily administrative fee up to Sh30 is charged for each day, Safaricom has attracted an average of 1.4 Kenyans who borrow daily. The daily lending product estimated at Ksh 1.34 billion Safaricom plans to extend this facility into businesses Borrowings from Safaricom's overdraft service rose to Sh1.2 billion daily in the six months to June this year, signaling the income shortfalls that have pushed many Kenyans to rely on short-term expensive debts.

With competitive markets and ever-changing dynamics of capital economy, Riba (usury) changes its ugly face so often. Usurious transactions that amount to brazen exploitation of people and businesses is indisputably illegal in Islam. Any form of excess earnings on credit facilities is categorized as Riba. The changing faces of usury and the insurance of new arrangements of ambiguous financial facilities with predetermined returns continue to put Muslim communities into perpetual curiosity.

Safaricom's new overdraft facility widely known as 'Fuliza' perfectly fits into the place of Riba thus becoming an affront to acceptable financial transactions within the fundamental tenets of Islam as enshrined in the Glorious Quran and the pristine tradition of our beloved Prophet (saw). Fuliza can be categorized under a type of Riba

that in Islamic parlance is known as Riba An-Nasiya. This type of usury results from predetermined interest which a lender receives over and above the principal amount. It appears to be the most common form that is spread today in the world, where interest is charged on credits.

Riba which in Arabic means increase, addition or growth. Technically, it refers to the extra amount of money that one earns from lending. It is the difference that a borrower pays in excess and the lender earns in return. Modern day riba involves the price of a rent paid on money in exchange of its use. In contemporary banking, the entry of exploitative interest has turned money into a commodity of trade.

Imam Al-Ghazali said, "Trading in money for earning some interest makes money an end object like a market commodity. Engaging money in that way is an oppression." And so we know very well about the punishment that comes with engaging in Riba. Consuming Riba is one of the seven destructive sins that share almost or equal punishment with Shirk (associating partners with Allah), magic, killing an innocent person, eating the property of an orphan, running away from the battlefield and accusing chaste women.

Those who deal in Riba and illegally acquire people's money, using various evil methods and wicked avenues are trading unlawfully as they await the torment of hell fire. Allah Almighty says: **﴿الَّذِينَ يَأْكُلُونَ الرِّبَا لَا يَقُومُونَ إِلَّا كَمَا يَقُومُ الَّذِي يَتَخَبَّطُهُ الشَّيْطَانُ مِنَ الْمَسِّ ۗ ذَلِكَ بِأَنَّهُمْ قَالُوا إِنَّمَا الْبَيْعُ مِثْلُ الرِّبَا ۗ وَأَحَلَّ اللَّهُ الْبَيْعَ وَحَرَّمَ الرِّبَا ۗ فَمَنْ جَاءَهُ مَوْعِظَةٌ مِّن رَّبِّهِ فَانْتَهَىٰ فَلَهُ مَا سَلَفَ وَأَمْرُهُ ۗ إِلَى اللَّهِ ۗ وَمَنْ عَادَ فَأُولَٰئِكَ أَصْحَابُ النَّارِ ۗ هُمْ فِيهَا خَالِدُونَ﴾** **“Those who consume interest cannot stand [on the Day of Resurrection] except as one stands who is being beaten by Satan into insanity. That is because they say, "Trade is [just] like interest. ‘But Allah has permitted trade and has forbidden interest. So whoever has received an admonition from his Lord and desists may have what is past, and his affair rests with Allah. But whoever returns [to dealing in interest or usury] – those are the companions of the Fire; they will abide eternally therein”.** [TMQ 2.275].

It is imperative to note that the Ummah is experiencing economic hardships and suffering a great deal of intellectual attacks from the Western civilization. This has made the Ummah grapple with the current economic capitalist system which is deeply founded on Riba. One of the foremost tasks in reviving the Ummah, therefore, is to deliver the correct Islamic concepts to the people.

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