

An Islamic Law Perspective on the Concept of Shopeepaylater

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Abstract

Technology in this era has developed very rapidly. There are many applications that were created to facilitate human activities. One of them is the emergence of e-commerce that can make it easier for anyone who wants to shop, but is lazy to leave the house. All needs ranging from clothes, food, skincare, bags, food, home furnishings, gadgets, books and many more are available there. All of that is easily obtained in just a matter of minutes or even seconds. By online shopping, it will save energy and time. Only by purchasing goods via smartphone, then waiting for them to arrive at home. One of the e-commerce that is widely used by the public is *Shopee* application. The more *Shopee* users, the more *Shopee* wants to provide all the convenience of facilities and attractive promos every month. The previous payment method could only be via COD (Cash on Delivery), minimarkets, bank transfers and *shopeepay*. Now you can make payments on credit. The credit concept or *ShopeePayLater* offered by *Shopee* by allowing its users to make purchases of goods without having to wait for the money. If there is an urgent to buy goods using *ShopeePayLater*, then *Shopee* will lend funds which will then be paid in the following month according to mutual agreement. However, behind all the

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benefits offered to *ShopeePayLater* users. There are still many who have doubts about the law because for every transaction, Shopee provides additional handling fees and interest rates. The interest rate referred here clearly includes usury and it is strictly prohibited according to Islamic law.

Teknologi di zaman ini sudah mengalami perkembangan sangat pesat. Ada banyak teknologi yang diciptakan untuk mempermudah aktivitas manusia. Salah satunya dengan munculnya *e-commerce* yang mampu memudahkan bagi siapa saja yang ingin berbelanja, namun malas keluar rumah. Semua keperluan mulai dari pakaian, makanan, *skin care*, tas, makanan, perabotan rumah, *gadget*, buku dan banyak lagi. Semua itu dengan mudah diperoleh hanya dengan hitungan menit bahkan detik. Dengan berbelanja secara *online* maka akan menghemat tenaga dan waktu. Hanya perlu membeli barang lewat *smartphone*, lalu menunggu barang sampai ke rumah. Salah satu *e-commerce* yang banyak digunakan oleh masyarakat yaitu aplikasi Shopee. Semakin banyaknya pengguna Shopee, maka pihak Shopee ingin memberikan segala kenyamanan fasilitas dan promo yang menarik di setiap bulannya. Metode pembayaran yang sebelumnya hanya bisa lewat COD (*Cash On Delivery*), minimarket, transfer bank dan *shopeepay*. Sekarang sudah bisa melakukan pembayaran secara kredit. Konsep kredit atau *Shopee PayLater* yang ditawarkan oleh Shopee memungkinkan kepada penggunanya untuk melakukan pembelian barang tanpa harus menunggu ada uang. Apabila ada kebutuhan mendesak bisa membeli barang dengan menggunakan metode pembayaran secara *SPayLater*, maka pihak Shopee akan meminjamkan dana yang kemudian akan dibayarkan pada bulan selanjutnya sesuai dengan kesepakatan bersama. Namun, dibalik segala manfaat yang ditawarkan kepada pengguna *Spaylater*. Masih banyak yang ragu tentang hukumnya. Karena disetiap transaksinya, pihak Shopee memberikan tambahan biaya penanganan dan suku bunga. Suku bunga yang dimaksudkan disini jelas termasuk riba. Dan menurut hukum Islam riba sangat dilarang dah hukumnya haram dilakukan.

Key words: *Shopee paylater; e-commerce; islamic law.*

Introduction

In today's digital era, it provides many conveniences for people who want to shop without having to leave the house so that they can save energy and vehicle costs as well as save time, because transactions can be done in just a matter of minutes. Now there are also many e-commerce options such as *Shopee*, *Tokopedia*, *Bukalapak*, *Lazada* and others. All needs are available from clothes, basic needs, books, furniture, electronic equipment and many more.

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The payment method is no longer done face-to-face like the direct buying and selling method. There are many conveniences provided when the users want to make transactions. The features contained in *Shopee* application are payments via Cash on Delivery, *ShopeePay*, Alfamart, Indomart and can also be via bank transfer. The latest payment method in *Shopee* is *ShopeePayLater* (buy now, pay later).

ShopeePayLater provides many benefits for someone who wants to shop, but does not have the money. With this *ShopeePayLater*, it encourages the users to fulfill their desire to shop even though at that time there was not enough funds to buy the item. So, *Shopee* will bail out the bill and the users will be given a time limit to pay the previously agreed upon bill.

The concept of *ShopeePayLater* is similar to the functions and benefits of the credit card concept. However, the users are given convenience when they want to register for using *ShopeePayLater*. They do not need to go to the head office. They just need to follow the instructions which are available in *Shopee* application, then they can register as *ShopeePayLater* users. This concept is much easier than using a credit card, which requires the users to come to the bank and the process is quite long. Therefore, it will be investigated further about the perspective of Islamic law on the use of *ShopeePayLater*.

Discussion

The Concept of *Shopee* Application

ShopeePayLater is one of the financial services provided that have the same function as a credit card but without using a card. So, it seems easier for the users. The concept of *ShopeePayLater* has also been widely used in several e-commerce to facilitate anyone who wants to go on vacation or shopping.¹

In general, *ShopeePayLater* is a feature provided in e-commerce applications that allows the users to make payments in installments without the need to use a credit card. *Shopee PayLater* has the potential to be increasingly popular because it allows the use of “buy now, pay later”. Through this transaction method, the users are given the opportunity when buying goods without the need to make payment transactions with a certain grace period.²

This *ShopeePayLater* feature makes online transaction more efficient. Both in terms of requirements, registration, or activation process which can be said to be

¹Lin Emy Prastiwi, Tira Nur Fitria, 2021, *The Concept of Paylater Online Shopping in the View of Islamic Economics*, Scientific Journal of Islamic Economics, p. 426

²Yonanda Nancy, “Knowing the Widespread Paylater Concept in e-Commere” (<https://tirto.id/mengenal-concept-paylater-yang-marak-di-e-commerce-f9vX>, accessed on March 31, 2022 at 09.10).

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much easier by making *Shopee PayLater* as a payment method that is superior to banks. The more widespread the e-commerce in public, the more it will encourage them to fulfill all their wants and needs because not everyone has enough money or is able to pay in cash. Therefore, many e-commerce in Indonesia provide *Shopee PayLater* with the concept of 'buy now, pay later'. One that uses this service is *Shopee* application.³

The *Shopee* application is one of e-commerce for the millennials today, from teenagers to adults. Since it was first introduced to the public, *Shopee* has experienced very rapid development as evidenced in October 2017. This application has been downloaded more than 43 million times.⁴ With so many *Shopee* users, *Shopee* strives to provide comfort and satisfaction for its users. One of them is by providing additional new payment method, namely using *ShopeePayLater* feature.

The presence of the *ShopeePayLater* or *SPayLater* allows people who want to shop but do not have money to use this feature. The invoice for these items will be paid in advance by *Shopee*. Then, *ShopeePayLater* can pay the bill according to the time limit that has been determined and agreed upon.

The users of *ShopeePayLater* are possible to make loans to *Shopee* with certain limits. This limit will continue to increase along with the number of transactions on *Shopee*. The users can make a purchase first, then pay the bill in the following month or can use the installment method for several months. If it exceeds the limit of the given contract or when the user has not paid the maturity date, interest will be charged which requires the user to pay more than the initial loan.

The interest rate set by *Shopee* is 2.95% of the total payment plus a 1% handling fee in the 'buy now, pay later' program. If the users are late in making payments, they will be subject to a fine of 5% every month. For the installment system, you can make installments for 3, 6 or 12 months. With the minimum interest rate offered by *Shopee*, many users are tempted to use the service. There are not many conditions that are needed by someone if he or she wants to make a payment using a *paylater*. Anyone can do it as long as he or she has reached the age limit of 18 years which is one of the provisions if someone wants to create a *paylater*. The more offers given in *paylater*, the more people tempted to use them, such as discounts or low interest rates. Apart from being more practical, it is also very helpful if the users want to shop but they have not received their salaries.

³Aftika, Sonia, *The Effect of Using the "Pay Later" Shopee PayLater Payment System on the Consumptive Behavior of UIN Raden Intan Lampung Students in a Sharia Business Perspective*, Thesis of UIN Raden Intan Lampung, 2021, p. 6

⁴Wardoyo, Andini, 2017, *Factors Influencing Online Purchase Decisions for Gunadarma University Students*, *Journal of Resource Management Economics* Vol. 19 No. 1 (2017), p. 23

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Benefits and Risks of *ShopeePaylater*

ShopeePayLater is one of the features in *Shopee* application that provides many benefits to its users. There is a lot to offer to *ShopeePayLater* users.⁵ In addition to practicality and convenience, *Shopee* provides offers such as on twin dates, month-end or events held by *Shopee*, and cashback in the form of *Shopee* coin prizes and also free shipping vouchers for the users who use *ShopeePayLater* as the payment method. There are several benefits of *ShopeePayLater*, namely:

a. More Practical and Faster Process

The feature of *ShopeePayLater* which uses the concept of 'buy now, pay later' is very useful if there is an urgent need but at that time the users do not hold cash. If using this payment method, it will be very helpful for the users. For example, when at the end of month date and it has not been paid, but there are needs that must be bought. So, the users can borrow funds on *Shopee*. The activation is also easier than registering a credit card at a bank, which is an added value.

b. Many Attractive Promos

There are many promos offered for *ShopeePaylater* users. Not only get a loan, but also when there are *events* such as, every twin date, 15th and 25th of each month, every user who makes transactions through *ShopeePayLater* will get cashback in the form of *Shopee* coins. Of course, this is increasingly attracting the interest of *Shopee* users to use this feature.

c. It is Official

The service of *ShopeePayLater* contained in the *Shopee* application has been registered and supervised directly by the Financial Services Authority (FSA). This can be a guarantee for its users as well as to create a sense of security in making online loans. As is currently happening, there are many cases of fraud due to online loans that are not registered with the Financial Services Authority.⁶

The feature of *ShopeePayLater* certainly provides many conveniences to its users. They can make purchases even if they do not have the funds. However, this of course can make them addicted to using the feature continuously. The following are some of the risks that can arise from using *ShopeePayLater*:

⁵Aristanti, N. D, *Paylater, Today's Credit Cards That Turn Out To Be Shopping Frenzy!*, Koin Works, <https://koinworks.com/blog/apa-itu-pay-later/>, 20 March 2022, 10:00 WITA

⁶Sabrinah, *Advantages and Disadvantages of Shopee Paylater* (2020), <https://www.konsumendigital.com/2020/09/kelahan-dan-kekurangan-shopeepaylater.html>, 21 March 2022,

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a. Additional Handling Fees and Interest Rates

Each transaction will be subject to a 1% handling fee and an interest rate of 2.95%. Maybe this fee is still relatively small. However, there are still additional costs required outside of the initial loan.

b. Leading to Consumptive Behavior

With all the convenience and practicality of the *ShopeePayLater*, it can create an encouragement to make a loan. The more often the users use this feature, the bigger *ShopeePayLater* limit will be. Of course this can encourage them to continue shopping and loan more funds. Finally the habit of buying a lot of things is inevitable.⁷

c. Penalties for Late Paying Bills

Every time it is due, *Shopee* will remind the users by giving notifications or by calling directly. This is intended to avoid delays that require paying fines. However, if there is a delay, the users must pay a fine of 5% per month. If they do not pay for a few months, the fine will be raised.

The Concept of *ShopeePaylater* in Islamic Law View.

The increasing number of promos and benefits offered by *Shopee* make many users tempted to use the service. However, some of them still have doubts about the laws governing *ShopeePayLater*. Does it include usury or not? In making loans via *ShopeePayLater* there will be an additional interest rate fees and handling fees. The amount of initial loan with additional fees, will be submitted or will receive a notification from *Shopee* about the agreed time to pay off.

The loan of *ShopeePayLater* is allowed because the contract is carried out clearly, as evidenced by the existence of a contract agreement between the two parties at the time of doing the *ijab* and *qabul* and additional handling fees in the *ShopeePayLater* practice.

Buying and selling transactions using the *ShopeePayLater* based on Islamic law analysis are as follows:⁸

a. 'Aqidain (the contracting party)

- 1) It is clearly stated in the application that there are sellers and buyers.
- 2) Must be mature and also wise.
- 3) With their own will or without coercion.

⁷Lin Emy Prastiwi, Tira Nur Fitria, *Paylater Concept Online Shopping in the View of Islamic Economics*, Scientific Journal of Islamic Economics (2021), p. 427

⁸Elvyo Salsabella, *Overview of Islamic Law on Buying and Selling Practices Using Shopee PayLater*, Thesis of the Faculty of Economics and Sharia IAIN Ponorogo (2020), p. 75

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- b. *Ma'qud alaih* (goods that are traded)
- 1) Goods that are the object of the contract can receive the legal consequences.
 - 2) There are benefits, buyers must choose goods that suit their needs.
- c. *Maudu' al'aqd* (the purpose and intent of holding the contract)

The purpose of doing this contract using a *ShopeePayLater* is to transfer the goods from the seller to the buyer, and *Shopee* will provide a loan to the buyers to pay for the goods. Then the buyers can pay off the bill in accordance with the agreed time.

- d. *Sighat al'aqd* (*ijab* and *kabul*)

When the buyers have selected the items to be purchased, they will be directed to the payment method by using the *ShopeePayLater* feature and then able to place an order or checkout.

It can be seen that the legal basis and contract conditions that occur in payments using *PayLater* are no doubt, because all the elements of the pillars and legal requirements have been met. Scholars from the four schools of thought as well as most scholars also allow credit payments in buying and selling. In using a *PayLater*, the e-commerce provides the most advanced information to users regarding the choice of payment for groceries, namely by being paid for a period of 1 month, or more than 1 month by getting interest in each payment.⁹ So that the e-commerce does not fool its users because a contract has been made that must be mutually agreed at the beginning.

ShopeePayLater has an installment system for 3 months, 6 months, and 12 months. The *ShopeePayLater* installment fee consists of the principal installment plus the interest rate. Every single transaction using *ShopeePayLater* will be subject to a 1% handling fee and an interest rate of 2.95%. For example, when purchasing goods for IDR 100,000, a handling fee of IDR 1,000 will be charged and an additional interest rate of IDR 2,950. In the following month when it is due, the total bill to be paid is IDR 103,950.

In addition to applying interest, *ShopeePayLater* also provides fines to users who are late in paying bills. Before the due date, *Shopee* will provide a notification to remind the users not to be late paying their bills. The penalty imposed is as much as 5% per month of the total bill. For example, the total bill for goods is IDR 100,000 and a fine of IDR 5,000. Then, the total that must be paid by the user is

⁹Imam Mustofa, *Contemporary Muamalah Fiqh* (Jakarta: Rajawali Pers, 2016), p. 49.

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IDR 105,000. In addition to providing fines, Shopee will restrict users from accessing functions and vouchers in the application.

This *ShopeePayLater* can cause misunderstandings and contain many risks to users because it applies an interest system. The interest rate applied is categorized as usury and usury in any form is *haram*. In Islamic law, this transaction is prohibited and invalid. Rasulullah SAW condemned usury eaters, usury givers and even the recorder and two witnesses in the handover of usury.¹⁰

Allah SWT strictly forbids the practice of usury as the word of Allah SWT in QS Al-Baqarah/2:275)

أَحَلَّ اللَّهُ الْبَيْعَ الرِّبَا

Translation:

"Allah has permitted trading and forbade usury."¹¹

Moreover, another verse also explains about forbidding the act of usury as contained in QS Al-Baqarah/2: 278)

أَيُّهَا الَّذِينَ آمَنُوا اتَّقُوا اللَّهَ ۖ إِنَّ الرِّبَا

Translation:

"O you who believe, fear Allah and leave the rest of usury (which has not been collected) if you are believers."¹²

In the authors' opinion, based on the terms and pillars of buying and selling, buying and selling transactions using the payment method by credit or *PayLater*, some are in accordance with Islamic law. However, because the transaction contains usury, this is prohibited in Islamic law. Islam advises us to stay away from usury and things that will harm.

Conclusion

The *ShopeePayLater* contained in *Shopee* application is very helpful and offers many benefits that can be obtained for its users. The process of registering or activating an account is very easy because there are instructions given, so for those who want to use this feature, find it easier. In contrast to credit cards, which require users to come to the bank directly, the process can be quite long. If there is a need for goods or things that are urgent and they do not have cash at that time,

¹⁰Titi Rahayu, 2021, *Analysis of Shopee Paylater E-Commerce Sales and Purchase Agreements in the Perspective of Islamic Economics*, Journal of Islamic Economics and Banking, Vol. 3, No. 2, p. 10

¹¹Ministry of Religion of the Republic of Indonesia, the Qur'an and its Translation (Jakarta: Al-Jumatul Ali, 2007) p.69

¹²Ministry of Religion of the Republic of Indonesia, the Qur'an and its Translation (Jakarta: Al-Jumatul Ali, 2007) p.69

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they can use this feature to make loans quickly and practically. However, behind all the benefits that *ShopeePayLater* provides, of course it can lead to consumptive behavior to its users. It can be seen from the *ShopeePayLater* limit which will increase along with the number of transactions on *Shopee*. The users who want the limit to be bigger, have to multiply transactions on *Shopee*. In addition, there is a system of interest and additional fees in every transaction using *ShopeePayLater*. If there is a delay, a fine will be imposed on top of the initial bill. The view of Islamic law on the *ShopeePayLater* concept is permissible (allowed) and forbidden. The pillars and terms of sale and purchase are in accordance with Islamic teachings and are proven by the existence of a contract agreement that has been agreed upon by both parties. However, due to the implementation of the interest system or additional costs other than the initial loan, this includes usury. Although the amount of interest rates and handling fees are relatively small, they still contain an element of usury. In Islam, usury is strictly prohibited and it is forbidden.

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