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Lloyds TSB Launches Islamic Banking Across Britain

Lloyds TSB is launching its range of Islamic financial services nationwide, following a hugely successful pilot. From today, Britain's two million Muslims will have access to current accounts and mortgages¹ which comply with Islamic law (Shariah), in every one of the bank's 2,000 branches. The move is designed to cater for the financial needs of Britain's Muslim community, for whom interest (Riba) is forbidden. It will be followed by other Islamic financial products later this year, including an Islamic student account.

The Islamic banking products launched today are designed to provide an alternative for Muslims, many of whom opt out of traditional banking services altogether, in order to avoid interest, or resort to conventional interest-based current accounts and mortgages, due to lack of choice. Under Islamic law, both the payment and receipt of interest are forbidden, which presents a problem for Muslims wishing to borrow, or save, without going against their faith. From today customers will be able to apply for the Islamic products in any of the bank's branches, or over the telephone.

Paul Sherrin, Head of Islamic Financial Services, Lloyds TSB said: "Britain is home to a large and fast-growing Muslim community, but many have found that their financial needs have been left wanting.

"Having spoken to Muslims across the country we know that more than three-quarters want current accounts and mortgages that fit with their faith. By making these products available nationwide we're bringing Islamic banking into the mainstream and we're giving the Muslim community access to financial services that meet their needs without compromising their religion.

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Paul Sherrin continued: “From today, Muslims across Britain will be able to use our Islamic banking services wherever they live. We’re now the largest provider of Islamic banking across the UK and customers will be able to make use of our 2,000 branches, 4,000 ATMs, as well our Internet or telephone services”.

The two products launched across the country today are an Islamic current account and an Islamic mortgage, both of which comply fully with Islamic law, because they are designed to avoid any element of interest. The current account offers no credit interest and no overdraft facility, but it does provide a debit card and does not charge a fee² or require a minimum balance. The funds held by Lloyds TSB on all Islamic current accounts will also be held in accordance with Islamic law and will not be invested in industries which are not permitted in Islam.

In the case of the Islamic mortgage, instead of lending money for a property, the bank buys the home on behalf of the customer, contributing up to 90 per cent of the purchase price. The customer pays the remaining percentage upfront and pays the outstanding sum over an agreed term, together with a rental payment.

In order to ensure that the current account and mortgage are fully compliant with Islamic law, Lloyds TSB has consulted with a board of renowned Islamic scholars³, who have advised on all aspects of Islamic finance law.

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Notes to editors:

¹The Islamic mortgage is not currently available in Scotland

² All other charges on the account will be the same as on the Lloyds TSB Classic account

³The Shariah Scholars involved in developing the Lloyds TSB Islamic current account are:

Sheikh Nizam Yaquby

Sheikh Nizam Yaquby is a member of the Shariah Committee for several Islamic financial institutions. He has received an MSc in Finance (Canada) and is based in Bahrain. He has been a Professor of Tafsir, Hadith and Fiqh in Bahrain since 1976 and the author of several articles and publications on Islamic finance in English and Arabic.

Dr Muhammed Imran Ashraf Usmani

Dr. Muhammed Imran Ashraf Usmani holds a PhD in Islamic Finance. He has also obtained degrees in Islamic Jurisprudence from Karachi. Dr. Usmani is a faculty member of the Jamia Darul Uloom, Karachi and Institute of Business Administration (IBA), Karachi as well as the author of various books on Shariah.

Mufti Abdul Kadir Barkatullah

Mufti Abdul Kadir Barkatullah is the Imam at the North London Finchley Mosque. He acquired a Mufti (diploma) in Islamic law and Fazil (Bachelor of Islamic studies) from the Islamic University, India. He also works as a supervisor at the Islamic helpline for Fatwa and as a presenter at Vectone Urdu.

Muhammad Nurullah Shikder

Mufti Muhammed Nurullah Shikder is a Barrister-at-Law and Imam at the Tunbridge Wells Mosque. He received a LLB degree from London Guildhall University. He advises individuals and businesses on Islamic finance.

For further information customers can call the Islamic financial services line on **08456 007 786**.

A range of literature is available from branches Arabic and Urdu.

The current account is known as the *Islamic Account* and the mortgage is known as *Islamic Home Finance*.

For more information:

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