

## **The Point of No Return**

*Adapted and excerpted from a shiur by Dayan Yehoshua Grunwald*

*Your money you shall not give at interest. (Vayikra 25:37)*

A potential *ribbis* (interest) problem arises in the case of returned merchandise. If a purchaser returns a product for a refund and thereby voids the original sale, his initial payment retroactively becomes a loan to the seller, and the buyer's use of the product prior to returning it may constitute an interest payment from his borrower, the seller. (See Shulchan Aruch (Y.D. 174:1, C.M. 232.) Perhaps a Jewish merchant selling to Jews would have to maintain a return policy that involves deducting a fee from refunds to pay for the use of the product prior to its return.

Many solutions are offered for this problem by the *poskim*.

One possibility, cited by many (Rav Nissim Karelitz, Mishnas Ribbis, and Chelkas Binyamin) is that the seller waives payment for the interim use of the item in exchange for the trouble the defective merchandise engendered for the buyer, rather than as payment for the loan. However, this would not apply where the returned item wasn't defective. Additionally, it may not apply if the item was very valuable.

Another possible solution is for the return policy to structure returns as a buyback by the seller rather than as the undoing of the sale, provided this can happen at the buyer's sole option. In such a case, the refund is considered a new transaction, and the buyer need not pay for the interim benefit from the purchase because, even in retrospect, he actually owned the item at the time he used it.