



Rethinking *gharar* in digital business subscriptions: A Sharia perspective on automatic renewal practices

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Article Info

Article History

Received : 2026-01-20

Revised : 2026-02-19

Accepted : 2026-02-26

Published : 2026-02-27

Keywords:

Gharar, Automatic renewal, Digital Business Model, Shariah contract law, Maqāṣid al-Sharī'ah

DOI:

[10.20885/JILDEB.vol1.iss2.art3](https://doi.org/10.20885/JILDEB.vol1.iss2.art3)

JEL Classification:

L86, K12, D18

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Paper type:

Research paper



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Abstract

Purpose – This study aims to evaluate the Shariah compliance of automatic renewal mechanisms in digital subscription business models. It specifically investigates whether these practices align with Islamic legal principles, focusing on the potential presence of *gharar* (uncertainty) and its impact on consumer protection in the insurance industry.

Methodology – This study employs a qualitative normative legal approach. It analyzes contemporary digital contract practices through the lens of classical Islamic jurisprudence, particularly the concepts of *Ridā* (mutual consent), *Bayān* (transparency), and *Daf' al-Darar* (prevention of harm). A comparative analysis is also conducted of existing digital consumer protection regulations.

Findings – The study finds that automatic renewal practices often contain elements of *gharar yasir* (minor uncertainty) that can escalate into *gharar fahish* (excessive uncertainty) when transparency is low. The reliance on passive consent and "dark patterns" in interface design often compromises the validity of *Ridā*. Furthermore, these mechanisms frequently lead to unintended financial charges, which contradict the *Maqāṣid al-Sharī'ah* principle of *Hijz al-Māl* (the protection of wealth).

Implications – This study suggests that digital service providers should implement "Active Consent" models and clear notification intervals to ensure Shariah compliance. It also provides a framework for Islamic financial regulators to develop specific guidelines for subscription-based Fintech and digital commerce.

Originality – While many studies discuss general e-commerce, this study provides a specialized Shariah critique of the "Subscription Economy" billing cycle, offering a novel integration of algorithmic transparency and Islamic contractual ethics.

Cite this article:

Koswara, A., Herlina, L., & Kurniawati, N. (2026). Rethinking *gharar* in digital business subscriptions: A Sharia perspective on automatic renewal practices. *Journal of Islamic Law on Digital Economy and Business*, 1(2), 139-151 <https://doi.org/10.20885/JILDEB.vol1.iss2.art3>

Introduction

The digital economy has transformed traditional business models by introducing subscription-based services that rely on automatic renewal practices to sustain customer engagement and revenue. These models are increasingly prevalent in media streaming, software-as-a-service (SaaS), and digital content platforms, offering convenience at the cost of potential ambiguity related to contract terms and consumer awareness. However, while beneficial to market efficiency, these

automated renewal mechanisms raise concerns about contractual clarity, fairness, and consumer protection issues, which are especially salient from a Shariah perspective.

Recent regulatory data demonstrate that automatic renewal practices are a significant and growing consumer protection concern in the global digital economy. A European Commission consultation found that 44% of consumers reported being automatically renewed into digital subscriptions without intending to continue, while 29% experienced free trials converting into paid contracts without clear awareness (European Commission, 2024). Similarly, in the United Kingdom, 26% of adults reported accidentally subscribing to services, generating an estimated £688 million in unused or unwanted subscriptions, with 40% attributing the issue to unnoticed automatic renewal mechanisms (Citizens Advice, 2024). These patterns contribute to escalating disputes and chargeback volumes in digital markets, reaching 0.26% in Q3 2025 and projected to reach 324 million cases globally by 2028 (Sift, 2025). This evidence underscores that automatic renewal is not merely a theoretical contractual concern but a structurally embedded governance challenge requiring normative and ethical evaluation, including from a Shariah perspective.

In addition to its rapid commercial growth, automatic renewal has become a focal point of global consumer protection debates due to its measurable impact on unintended financial losses and contractual disputes. Reports by the Organisation for Economic Co-operation and Development (Organisation for Economic Co-operation and Development, 2023) indicate that negative-option billing and recurring subscription models are among the most frequently scrutinized digital commercial practices, particularly in relation to transparency failures and consumer complaints. Empirical research presented at the Association for Computing Machinery CHI Conference demonstrates that subscription interfaces often employ asymmetric cancellation pathways, increasing the likelihood of consumer inertia and unintentional charges (Sheil et al., 2024). Regulatory authorities, including the California Department of Justice (2025), have strengthened enforcement of automatic renewal laws in response to rising consumer disputes, mandating clearer affirmative consent and simplified cancellation procedures. These global developments underscore that automatic renewal is not merely a contractual technicality, but a structurally embedded challenge within contemporary digital markets. Consequently, examining this phenomenon through a Shariah lens is both timely and necessary, as the risks associated with informational asymmetry and passive consent resonate strongly with classical prohibitions of *gharar* and the *maqāṣid* objective of protecting wealth (*ḥifẓ al-māl*).

In Islamic jurisprudence, *gharar* refers to *uncertainty or ambiguity in contractual terms* that may lead to disputes, exploitation or injustice. Classical *fiqh* scholars emphasize the prohibition of *gharar* in transactional contracts to uphold justice (*adl*) and transparency in economic exchanges (*sidq*), as implied indirectly through normative sources and reinforced by contemporary legal interpretations. For example, in the context of e-commerce and digital transactions, ambiguity regarding product information, pricing mechanisms, and contract duration has been identified as a source of *gharar* that undermines consumer rights (Hidayah & Parhi, 2025; Aqmal et al., 2024).

Despite the robust literature on *gharar* in traditional *fiqh* and digital financial products such as pay-later schemes or fintech contracts (Koay & Liew, 2026), little scholarly attention has been paid specifically to automatic renewal practices in subscription models. These practices often involve periodic billing without express reaffirmation of consent at each cycle, raising questions about informed consent and contractual clarity, two pillars of Shariah compliance in *muamalah* transactions. Moreover, while national consumer protection frameworks aim to regulate unfair commercial practices, they rarely engage deeply with the normative concerns of Shariah law regarding uncertainty and justice in contract formation (*fiqh al-muamalah*).

This study aims to rethink the concept of *gharar* in the context of digital subscription services by examining how automatic renewal practices may violate Shariah principles of clarity, transparency, and fairness. The core research questions guiding this study are as follows: (1) To what extent do automatic renewal mechanisms in digital subscriptions involve *gharar* according to classical and contemporary Shariah interpretations? (2) How do these mechanisms affect consumer protection from the perspective of Shariah law? (3) What are the normative implications of aligning digital subscription contracts with Islamic legal principles?

To address these questions, this study adopts a normative legal methodology, drawing on primary Islamic legal sources (Qur'an and Hadith), classical juristic texts, and contemporary fatwas, as well as secondary scholarly analyses of digital commerce under Islamic law. The normative approach enables a structured evaluation of the jurisprudential foundations of gharar and its relevance to modern digital contracts, situating the analysis within the ongoing academic debates on contract certainty and digital consumer rights. Furthermore, this study synthesizes insights from recent research on Shariah law and e-commerce practices to identify key areas where automatic renewal contracts may fail to meet Shariah standards (Indiharwati et al., 2025).

By reconceptualizing gharar in relation to subscription renewal systems, this study contributes to the theoretical discourse on Islamic contract law in the digital economy and offers normative guidance for consumers, policymakers, and platform developers. The outcomes of this research are expected to illuminate how Shariah principles can inform regulatory frameworks for digital subscriptions, promote fairness, and enhance consumer protection in Muslim-majority markets and beyond.

Literature Review

Classical and contemporary understandings of gharar

The concept of *gharar* in Islamic jurisprudence has been extensively discussed as a form of contractual uncertainty that undermines justice (*adl*) and transparency in transactions. Studies affirm that *gharar* encompasses elements of ambiguity and risk that may lead to harm, which classical jurists sought to prohibit to safeguard contractual clarity (*bayān*) and fairness (*'adl*) in economic exchanges (Ginting 2025). Additionally, research in Islamic economic law highlights that uncertainty in contract terms or subject matter, whether tangible goods or electronic *offer and acceptance* constitutes gharar that may invalidate a transaction or render it non-compliant with Shariah principles. This is a foundational principle in assessing digital contracts (Razali, 2008).

Contemporary interdisciplinary research on dark patterns highlights that manipulative interface designs can distort user behavior and undermine meaningful consent, which parallels classical juridical concerns about structural uncertainty and informational imbalances in contracts. A recent systematic legal review found that dark patterns represent deliberate distortions of choice environments that can mislead users into making decisions contrary to their interests, thereby eroding substantive consent and consumer autonomy (Isola & Esposito, 2025).

Gharar in digital transactions and e-commerce

Recent scholarship has focused on the emergence of gharar in *e-commerce* and *online transactional systems*, noting that digital platforms often present ambiguity in contract terms, product information, and refund policies that can heighten uncertainty for consumers. For example, qualitative analyses of e-commerce practices reveal that unclear product descriptions and non-transparent policies contribute to contractual uncertainty, a manifestation of gharar in digital marketplaces (Adel & Rinaldi, 2025). Moreover, studies exploring online marketplace systems such as TikTok Shop show that poorly specified contractual obligations and information asymmetry can introduce gharar elements that undermine Shariah-compliant transaction standards (Saifuddin & Febrianti, 2025).

Recent legal scholarship also emphasizes that dark patterns in online interfaces often make contracts less transparent and fair, misleading consumers through design features that distort choices and obscure key terms, thus heightening uncertainty in digital economic transactions (Luguri and Strahilevitz, 2021). Furthermore, normative reviews emphasize the necessity of aligning digital contracts with classical fiqh principles, particularly in ensuring *offer and acceptance* (*ijab-qabul*) and addressing the lack of physical evidence in electronic contracts, which may otherwise trigger gharar if left unchecked (Razali 2008).

Regulatory responses and consumer protection

Several studies have examined how Islamic law and secular consumer protection mechanisms intersect to mitigate uncertainty and unfair practices in digital transactions. Legal analyses highlight

that existing consumer protection frameworks often do not explicitly address Shariah concerns, such as *gharar*, but nevertheless aim to reduce ambiguity, fraud, and failure to fulfill consumer rights, which correspond with broader Islamic ethical objectives (*maqāṣid al-sharī'ah*), including the protection of wealth (*ḥifẓ al-māl*) and justice (*ḥifẓ al-'adl*) (Aqmal et al., 2025).

Global consumer policy analyses show that the pervasive use of dark patterns in digital services, including subscription interfaces that make cancellation difficult, has prompted strengthened regulatory responses in jurisdictions such as the European Union and the United States, reflecting growing concern over unfair practices that exploit consumer behavioral biases (Di Porto & Egberts, 2023). In addition, normative literature on Islamic digital finance suggests that fintech innovations, such as blockchain, can reduce *gharar* by enhancing transparency and traceability, although challenges related to user literacy and technological limitations remain pertinent to digital contract uncertainty (Fadhlorrohman et al., 2025).

Gharar and consumer-centric digital practices

The literature also underscores the importance of defining and mitigating *gharar* in contexts that directly impact consumers' interests. Research reveals that ambiguity in pricing, automatic billing practices, and unclear renewal policies can cause consumer harm, which traditionally falls within the purview of *gharar* if contractual obligations are not transparent (Ginting 2025). Empirical analyses of subscription services reveal a prevalent reliance on manipulative interface patterns that complicate cancellation, encourage passive auto-renewal, and exploit consumer inertia practices that can generate structural ambiguity and predictable harm, thereby aligning with normative concerns about contractual uncertainty and consumer vulnerability (TechCrunch, 2024).

Although the literature on *automatic renewal* is limited, insights from broader *e-commerce gharar studies* imply that recurring contracts may conceal uncertainty regarding consent and contract continuity unless clearly articulated and consented to periodically. This highlights a critical gap: existing research has not thoroughly examined the *normative implications of automatic renewal practices* within subscription models from the Shariah perspective.

Identified research gap

Despite a growing body of studies on *gharar* in digital commerce and Islamic contract law, there remains a significant gap in the literature, specifically focusing on *automatic renewal mechanisms in subscription services* particularly in how these mechanisms may perpetuate *gharar* through implicit consent and recurring charges. Most existing studies address *e-commerce transactional ambiguity* at the point of sale or digital marketing practices but do not extend to post-sales automated contract continuation practices. This study extends the current discourse by applying Shariah legal analysis to automatic renewal practices, aiming to bridge the normative gap between digital contract automation and Islamic principles of contractual clarity and consumer protection.

Research Methods

This study employs a qualitative normative legal research design to examine the presence of *gharar* in digital subscription models, particularly in those involving automatic renewal mechanisms. Normative legal research is appropriate when the objective is to assess the conformity of contemporary contractual practices with established legal doctrines and ethical principles, rather than to measure empirical behavioral patterns. In Islamic commercial law scholarship, this approach has been widely used to reinterpret classical jurisprudential concepts in light of modern financial and commercial developments (Kamali, 2008). Similarly, recent studies on Shariah compliance in fintech and digital contracts have adopted doctrinal and normative frameworks to evaluate emerging transactional models against *fiqh al-mu'āmalāt* principles (Koay & Liew, 2026; Indiharwati et al., 2025).

This study applies both doctrinal and conceptual approaches. The doctrinal approach systematically analyzes primary legal sources, including the Qur'an, Hadith, and classical juristic texts, to identify the essential elements of *gharar*, *ridā* (consent), *bayān* (transparency), and *daf' al-*

ḍarar (prevention of harm). The conceptual approach recontextualizes these principles within automated digital environments characterized by recurring billing and passive consent. Doctrinal methodology is widely recognized in comparative legal research as a rigorous framework for evaluating the coherence between legal norms and contemporary commercial practices (Hutchinson, 2016; Smits, 2017). This makes it particularly suitable for assessing the normative implications of automatic renewal structures in the digital market.

The data for this study were derived exclusively from authoritative secondary sources, including classical fiqh literature, contemporary Shariah scholarship, peer-reviewed journal articles, and international regulatory policy documents. Normative legal research ensures analytical validity through structured textual interpretation, cross-referencing juristic opinions, and coherence testing between doctrinal principles and practical contractual mechanisms (Creswell & Poth, 2018). In the context of digital consumer protection debates, normative approaches have been employed to evaluate subscription architectures and automated consent systems within regulatory and governance discussions (Organisation for Economic Co-operation and Development, 2020), further supporting the methodological suitability of this design.

The analytical procedure followed a deductive thematic framework. First, the core jurisprudential elements of *gharar* are identified from classical and contemporary Islamic legal theory. Second, automatic renewal mechanisms are examined to determine whether they introduce ambiguity in the contract duration, pricing, consent, or informational symmetry. Third, the findings are evaluated against the *maqāṣid al-shari‘ah framework*, particularly the protection of wealth (*ḥifẓ al-māl*) and prevention of unjust enrichment. By grounding the analysis in established doctrinal methodology and contemporary digital legal scholarship, this research design ensures methodological rigor and provides a scientifically justified basis for evaluating the Shariah compliance of automated subscription contracts.

Results and Discussion

Conceptualizing automatic renewal in digital subscription contracts

Automatic renewal has become a defining feature of subscription-based digital business models, including streaming services, cloud software, mobile applications, and other online platforms. Practically, *automatic renewal* refers to a contractual provision in which a subscription continues to renew at the end of each term unless the consumer takes affirmative action to cancel it. This business design is common in “negative option” contracts and free-trial conversions, wherein consumers are charged automatically if they do not cancel within a specified period (Organisation for Economic Co-operation and Development 2020; California Attorney General 2025).

In conventional legal scholarship on digital markets, automatic renewal mechanisms are understood as continuing contractual relationships rather than as discrete, fixed-term agreements. They depend on initial consent, often acquired through *click-wrap* or similar user interface agreements, but may later renew without repeated or active reaffirmation from the consumer (Nguyen, 2025). This feature distinguishes them from traditional contractual paradigms, which require explicit *offer and acceptance* at each renewal point. Such design practices create what regulatory scholars describe as “sludge” friction, which disproportionately burdens exit relative to entry (Sunstein, 2022). When cancellation requires multiple hidden steps while enrollment remains frictionless, contractual symmetry is violated.

A critical concern in automatic renewal is the role of consumer awareness and informed consent. Behavioral economic analyses show that consumers often fail to notice renewal clauses buried in lengthy terms or cognitively discount the effort required to cancel subscriptions, a phenomenon known as “rational inattention,” where free trials and renewal design capitalize on information processing costs to increase churn revenue (Nguyen, 2025).

Contemporary regulatory developments reinforce the importance of clear and affirmative consent in subscription contracts. For example, California’s strengthened *Automatic Renewal Law* requires explicit consumer consent prior to auto-renewal charges and mandates advance notice of renewal terms, including price, timing, and cancellation procedures (California Attorney General

2025). These regulatory trends reflect broader consumer protection concerns in advanced digital economies.

From a Shariah jurisprudential perspective, the notions of informed consent (*ridā*) and contractual clarity (*bayān*) are central to the validity of transactions (*fiqh al-mu'āmalāt*). Classical legal theory emphasizes that contracts should be free from ambiguity that leads to potential disputes or harm (*gharar*) and that all essential elements, such as duration, price, and obligations, must be known and accepted clearly by both parties. Contemporary Islamic legal analyses also highlight that digital contract features, such as automatic renewal, require enhanced transparency and active consent, lest the contract become tainted by subtle uncertainty (*gharar khafī*) that undermines consumer autonomy and equitable exchange (Fadhlorrohman et al., 2025).

Moreover, automatic renewal provisions are inherently linked to information asymmetry, as platforms typically control billing systems and renewal notifications, whereas consumers may lack easy access to cancellation mechanisms or clear disclosures of renewal terms (Organisation for Economic Co-operation and Development, 2020). This imbalance further complicates the Shariah evaluation of whether renewal provisions satisfy the requirements of mutual understanding and consensual assent throughout the contractual lifecycle.

Elements of *gharar* in automatic renewal practices

In Islamic jurisprudence, *gharar* is commonly defined as contractual uncertainty or ambiguity that may result in harm, disputes, or unjust enrichment. Classical jurists emphasize that *gharar* arises when the essential elements of a contract, such as duration, price, or consent, are not clearly known or agreed upon by the contracting parties. Contemporary Shariah scholarship extends this concept to digital transactions, recognizing that *hidden or structural uncertainty* (*gharar khafī*) may exist even when contracts appear formally valid (Indiharwati et al., 2025; Ginting, 2025). Automatic renewal practices in digital subscription contracts potentially incorporate several interrelated elements of *gharar*, as discussed below:

Ambiguity in contract duration and continuation

One of the primary sources of *gharar* in automatic renewal practices is uncertainty surrounding contract duration and continuation mechanisms. While subscription contracts often specify an initial term, the conditions under which the contract renews, such as renewal intervals, billing dates, and termination deadlines, are frequently disclosed in a fragmented or non-prominent manner. From a Shariah perspective, uncertainty regarding temporal obligations constitutes *gharar* if it obscures the consumer's understanding of their ongoing commitments (Nurjanah et al., 2024). This form of ambiguity aligns with contemporary analyses of digital contracts, which note that consumers may not fully anticipate the indefinite financial obligations resulting from default renewal settings (Zac et al., 2025).

Implicit and passive consent

Automatic renewal mechanisms primarily rely on the initial consent obtained at the time of subscription. However, the absence of renewed or reaffirmed consent for subsequent billing cycles raises Shariah concerns regarding the validity of ongoing contractual assent (*ridā*). Islamic contract law emphasizes that consent must be both informed and voluntary and that silence or inaction cannot automatically be equated with acceptance when financial obligations are renewed repeatedly (Indiharwati et al., 2025). Scholars argue that such reliance on passive consent may introduce *gharar khafī*, as consumers may remain contractually bound without a clear, conscious decision to continue the relationship (Akhyar et al. 2025).

Information asymmetry between contracting parties

Another significant element of *gharar* arises from information asymmetry, wherein service providers retain superior knowledge and control over the renewal systems, billing processes, and cancellation procedures. Empirical and normative studies on digital commerce highlight that consumers often face difficulty locating renewal information or executing contract termination,

which undermines contractual transparency (*bayān*) (Hidayah & Parhi, 2025). In Shariah terms, such asymmetry contradicts the principle that contractual knowledge should be reasonably accessible to both parties, as an imbalance in informational power may lead to unjust outcomes (*ẓulm*) (Bousslama & Lahrichi, 2017).

Unclear pricing and financial implications

Automatic renewal may also generate gharar when pricing structures or cost adjustments are not communicated clearly. Subscription contracts sometimes permit price increases or changes in service scope upon renewal, without explicit consumer acknowledgment. Classical Islamic jurisprudence holds that ambiguity in price (*jahālah al-thaman*) constitutes gharar if it affects the fairness of the exchange (Indiharwati et al., 2025). Contemporary studies on digital contracts confirm that unclear renewal pricing may lead to unexpected financial burdens for consumers, reinforcing Shariah concerns regarding unjust enrichment (Chen et al., 2023).

Hidden clauses and digital contract design

Finally, automatic renewal clauses are frequently embedded within lengthy digital terms and conditions, reducing their visibility and comprehensibility. Research on digital contract design indicates that such presentation practices limit meaningful consumer awareness and comprehension, thereby fostering contractual uncertainty (Hidayah and Parhi, 2025). Within the framework of Islamic jurisprudence, contractual provisions that are formally disclosed yet functionally obscured through complex digital architectures may constitute gharar (uncertainty), as they exacerbate information asymmetry and undermine the donor's capacity for informed consent (Alshater et al., 2022).

Taken together, these elements demonstrate that gharar in automatic renewal practices does not necessarily arise from explicit deception but rather from the structural ambiguity embedded in digital contract design. Ambiguous duration, passive consent, information asymmetry, unclear pricing, and hidden clauses collectively create conditions under which consumers may unknowingly assume that they have ongoing obligations. This finding supports the argument that automatic renewal practices may constitute *gharar kehafī*, warranting closer Shariah scrutiny and normative reassessment.

Shariah evaluation of consent (*Ridā*) in automated contracts

Consent (*ridā*) is a fundamental requirement for contract validity in Islamic law. The Qur'an emphasizes that commercial transactions must be conducted through mutual consent (*'an tarāḍin minkum*) (Qur'an, 4:29). Classical jurists maintain that consent must be voluntary, informed, and free from deception or substantial ignorance (*jahālah*) (Kamali 1996).

In automated digital contracts, particularly in subscription-based models with automatic renewal, consent is typically obtained only once at the initial agreement stage. Subsequent renewals occur without explicit consumer reaffirmation. Contemporary Shariah scholars argue that such passive continuation cannot always be equated with valid *ridā*, especially when renewal mechanisms, billing cycles, or termination procedures are not clearly understood by users (Indiharwati et al., 2025; Hidayah and Parhi, 2025).

Islamic jurisprudence further requires informed consent (*ridā ma'a al-'ilm*), meaning that essential contractual terms such as price, duration, and renewal conditions must be known and understood. In many digital subscription contracts, these elements are embedded within complex terms and conditions, creating a gap between formal disclosure and actual consumer awareness (Rösner et al. 2020). From a Shariah perspective, technical disclosure alone is insufficient if it fails to ensure a meaningful understanding.

Accordingly, automatic renewal practices may be considered Shariah-compliant only when supported by adequate safeguards, such as transparent disclosures, renewal notifications, and easy cancellation mechanisms. In the absence of rigorous transparency, automated consent becomes a manifestation of *ridā nāqīṣ*, wherein the donor's agency is compromised (Mauris, 2024). This creates an environment of gharar, undermining the Shariah-mandated equilibrium of information and

eroding the ethical bedrock of the digital muamalah. Empirical evidence from Islamic fintech research shows that governance structures and stakeholder conditions significantly influence the risk of platform failure, while Islamic ethics only partially mitigate structural vulnerabilities (Muhammad et al., 2021). This finding supports the argument that Shariah compliance in digital contractual systems requires not only ethical principles but also effective institutional oversight.

Automatic renewal and the principle of contractual transparency (*Bayān*)

Transparency (*bayān*) is a core principle of Islamic contract law, requiring that contractual terms be clearly communicated and reasonably understood by all parties. Classical jurists emphasize that ambiguity affecting essential elements of a contract, such as price, duration, and obligations, undermines contractual validity (Birkenmaier et al., 2025). In contemporary Shariah discourse, *bayān* is increasingly associated with consumer protection and ethical market conduct in digital spaces.

In automatic renewal subscription models, transparency concerns arise when renewal terms are disclosed formally but not prominently or clearly. Although digital contracts may technically comply with disclosure requirements, the presentation of renewal clauses within lengthy and complex terms and conditions often limits effective consumer understanding of them. From a Shariah perspective, such practices may constitute insufficient *bayān*, as disclosure that does not lead to meaningful awareness fails to meet the ethical objectives of Islamic commercial law (Hidayah and Parhi, 2025). Consumer policy scholarship emphasizes that disclosure alone does not eliminate exploitation if the information is presented in ways that reduce salience or cognitive accessibility (Brenncke, 2023).

Recent Shariah-oriented studies on digital commerce argue that transparency must be assessed not only by the presence of information but also by its accessibility and clarity. Automatic renewal mechanisms that obscure billing schedules, renewal timing, or cancellation procedures create informational asymmetry between service providers and consumers, which contradicts the Islamic principles of fairness (*ʿadl*) and the prevention of harm (*dafʿ al-ḍarar*) (Effendi & Latif, 2023).

Accordingly, automatic renewal practices may be considered Shariah-compliant only when they ensure substantive transparency through clear, upfront disclosures, renewal reminders, and easily executable termination options. The absence of robust notification safeguards in automatic renewal mechanisms constitutes a breach of the principle of *bayān* (clarity) (Ribadu & Wan Ab. Rahman, 2019). This structural opacity reinforces algorithmic *gharar*, thereby delegitimizing the ethical standing of digital subscription contracts within the framework of Shariah.

Gharar, consumer harm, and *Maqāṣid al-Sharīʿah*

The prohibition of *gharar* in Islamic law is fundamentally linked to the prevention of harm (*dafʿ al-ḍarar*) and preservation of justice in economic transactions. Within the framework of *maqāṣid al-sharīʿah*, contractual clarity and fairness serve to protect essential human interests, particularly the preservation of wealth (*ḥifẓ al-māl*) and dignity (*karāmah al-insān*). Consequently, contractual practices that generate uncertainty or exploit informational asymmetry are inconsistent with the higher objectives of Islamic law (Kamali 2008).

In the context of digital subscription models, automatic renewal practices may harm consumers when they lead to unintended financial obligations, delayed cancellations, or recurring charges without active awareness. Such outcomes reflect a practical manifestation of *gharar*, not merely as contractual ambiguity, but as a mechanism that transfers risk disproportionately to consumers. Contemporary Shariah scholarship recognizes that harm resulting from digital contractual structures should be evaluated not only at the formal level of contract validity but also in terms of their real-world consequences (*maʿālāt al-afʿāl*) (Hudaefi & Badeges, 2021).

From a Maqāṣid-based perspective, automatic renewal systems devoid of transparency and informed consent systematically undermine the objective of *Hifẓ al-Māl* (protection of wealth) by facilitating avoidable financial attrition (Menne et al. 2024). Furthermore, the imposition of

procedural barriers to subscription termination constitutes a fundamental breach of ‘adl (justice) and violates the Shariah mandate to prevent istighlāl (exploitation).

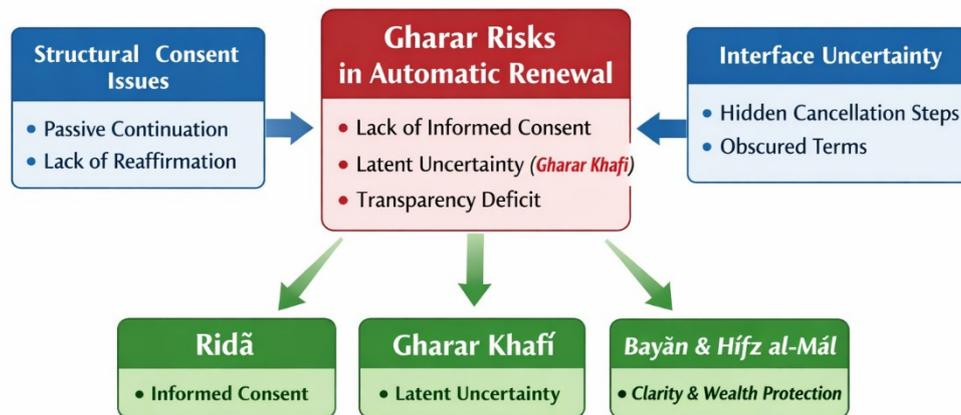


Figure 1. Gharar in automatic renewal and shariah evaluation

Source: Author's synthesis based on Islamic commercial jurisprudence and literature

Accordingly, the Shariah evaluation of automatic renewal should move beyond technical compliance and incorporate a harm-based assessment aligned with *maqāṣid al-shari'ah*. Where renewal mechanisms demonstrably increase the likelihood of consumer detriment, they may be regarded as incompatible with Shariah objectives, even if formal consent and disclosure are present. This approach reinforces the normative role of Islamic law in promoting ethical digital markets and safeguarding consumer welfare in contemporary business practice. From a law-and-economics perspective, such predictable surplus extraction may signal a structural imbalance rather than a neutral market exchange (Brenncke, 2023). This insight reinforces the *maqāṣid*-based concern regarding the protection of wealth (*ḥifz al-māl*).

Normative implications for Shariah-Compliant digital subscription models

The preceding analysis indicates that automatic renewal practices in digital subscription models require normative recalibration to align with Shari' ah principles. Although Islamic law does not prohibit contractual automation per se, it conditions permissibility on the presence of genuine consent (*ridā*), transparency (*bayān*), and avoidance of harm (*daf' al-dārar*). Accordingly, Shariah-compliant digital subscription models must incorporate safeguards that mitigate *gharar* and protect consumer welfare in line with *maqāṣid al-shari'ah* (Kamali, 2008).

First, affirmative and informed consent mechanisms must be strengthened. Subscription platforms should ensure that automatic renewal terms are disclosed clearly and prominently at the time of contract formation, with concise explanations of renewal frequency, billing amounts, and termination rights. From a Shariah perspective, such practices enhance *ridā ma'a al-'ilm* and reduce the risk of defective consent (Sheil et al. 2024).

Second, procedural transparency must be embedded throughout the subscription's lifecycle. This includes advance renewal notifications, explicit reminders prior to billing, and accessible cancellation procedures. These measures operationalize the principle of *bayān* by transforming formal disclosure into substantive transparency, thereby addressing the information asymmetry between service providers and consumers (Hidayah & Parhi, 2025).

Third, Shariah-compliant models should adopt a harm-prevention orientation consistent with the *maqāṣid* objective of protecting wealth (*ḥifz al-māl*). Automatic renewal systems that rely on consumer inertia or impose disproportionate exit costs risk facilitating unjust enrichment and should, therefore, be avoided. Normative Shariah evaluations must assess not only the contractual form but also the practical outcomes (*ma'ālāt*), particularly in relation to consumer harm (Ginting, 2025).

Table 1. Shariah evaluation of automatic renewal practices in digital subscription contracts

| Aspect of Automatic Renewal | Shariah Principle Involved | Potential Gharar Issue | Shariah Evaluation |
|---|---|--|---|
| Automatic continuation of subscription | <i>Ridā</i> (consent) | Passive or perpetual consent without reaffirmation | Potentially problematic if consent is not informed or periodically reaffirmed |
| Disclosure of renewal terms in lengthy T&Cs | <i>Bayān</i> (transparency) | Hidden or non-prominent clauses | Deficient transparency may constitute <i>gharar khafī</i> |
| Default renewal without reminder | <i>Daf' al-ḍarar</i> (harm prevention) | Unintended recurring charges | Risk of consumer harm contradicts <i>maqāṣid al-sharī'ah</i> |
| Complexity of cancellation procedures | <i>ʿAdl</i> (justice) | Information asymmetry and procedural barriers | May lead to unjust enrichment (<i>istighlāl</i>) |
| Price changes upon renewal | <i>Ḥifz al-māl</i> (protection of wealth) | Unclear or unexpected financial obligations | Ambiguity in price may invalidate ethical legitimacy |

Source: Author's synthesis based on contemporary consumer policy scholarship and Islamic commercial jurisprudence.

As synthesized in Table 1, the presence of gharar in automatic renewal practices is primarily structural, arising from passive consent mechanisms, limited transparency, and information asymmetry rather than explicit deception.

Taken together, these normative implications suggest that Shariah-compliant digital subscription models should be designed as ethically transparent and consent-centered systems rather than efficiency-driven mechanisms. This approach reinforces the relevance of Islamic commercial law in governing contemporary digital markets while contributing to broader debates on ethical consumer protection in automated contractual environments.

Conclusion

This study examines whether automatic renewal mechanisms in digital subscription contracts constitute elements of gharar under Islamic commercial jurisprudence. The findings indicate that automatic renewal does not inherently violate Shariah principles; however, it may approach gharar when consent becomes structurally passive, transparency is substantively weakened, and renewal occurs without meaningful reaffirmation. Thus, the research question is resolved by establishing that the permissibility of automatic renewal is conditional upon the preservation of informed consent (*ridā*), substantive clarity (*bayān*), and wealth protection (*ḥifz al-māl*).

Beyond the Shariah framework, these findings have broader implications for the digital economy. As subscription-based business models increasingly dominate digital markets, automated contractual continuations have become a structural feature of platform capitalism. This study contributes to contemporary debates on digital governance by demonstrating that ethical contract design must extend beyond formal disclosure to substantive transparency and balanced exit mechanisms. In this regard, Shariah principles offer a normative lens that aligns with global concerns regarding consumer protection, behavioral exploitation, and the regulation of dark patterns.

This study had several limitations. First, the research adopts a normative doctrinal approach without empirical field testing of consumer behavior in subscription environments. Second, the analysis focuses primarily on legal-ethical dimensions and does not quantitatively assess the financial impact across sectors. Third, platform-specific variations were not examined in depth, limiting the contextual generalization across industries and jurisdictions.

Future research should incorporate empirical methodologies, including behavioral experiments or survey-based studies, to measure consumer awareness and the quality of consent in automatic renewal systems. Comparative regulatory studies across jurisdictions would also enrich our understanding of how Shariah-based ethical standards interact with secular consumer protection regimes. Finally, interdisciplinary collaboration between Islamic legal scholars, digital

governance researchers, and behavioral economists would help develop actionable frameworks for ethically compliant subscription designs in the evolving digital economy.

Author contributions

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