



Republic of the Philippines
Supreme Court
 Baguio City

SUPREME COURT OF THE PHILIPPINES
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RECORDED
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FIRST DIVISION

BANKARD, INC.,*
Petitioner,

G.R. No. 202573

Present:

- versus -

SERENO, C.J., Chairperson,
 LEONARDO-DE CASTRO,
 DEL CASTILLO,
 PERLAS-BERNABE, and
 CAGUIOA, JJ.

LUZ P. ALARTE,
Respondent.

Promulgated:
APR 19 2017

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DECISION

DEL CASTILLO, J.:

This Petition for Review on *Certiorari*¹ assails the September 28, 2011 Decision² of the Court of Appeals (CA) denying the Petition for Review in CA-G.R. SP No. 114345, and its July 4, 2012 Resolution³ denying herein petitioner's Motion for Reconsideration⁴ in said case.

Factual Antecedents

Petitioner Bankard, Inc. (Bankard, now RCBC Bankard Services Corporation) is a duly constituted domestic corporation doing business as a credit card provider, extending credit accommodations to its member-cardholders for the purchase of goods and services obtained from Bankard-accredited business establishments, to be paid later on by the member-cardholders following billing.

* now RCBC Bankard Services Corporation.

¹ *Rollo*, pp. 9-21.

² *Id.* at 23-27; penned by Associate Justice Ramon A. Cruz and concurred in by Associate Justices Jose C. Reyes, Jr. and Antonio L. Villamor.

³ *Id.* at 30-32.

⁴ *Id.* at 91-96.

In 2007, petitioner filed a collection case against respondent Luz P. Alarte before the Metropolitan Trial Court of Pasig City (MeTC). The case was docketed as Civil Case No. 13956 and ultimately assigned to Branch 72. In its Complaint,⁵ petitioner alleged that respondent applied for and was granted credit accommodations under Bankard myDream JCB Card No. 3562-8688-5155-1006; that respondent, using the said Bankard myDream JCB credit card, availed herself of credit accommodations by “purchasing various products”;⁶ that per Statement of Account⁷ dated July 9, 2006, respondent’s credit availments amounted to a total of ₱67,944.82, inclusive of unbilled monthly installments, charges and penalties or at least the minimum amount due under the credit card; and that respondent failed and refuses to pay her obligations despite her receipt of a written demand.⁸ Thus, it prayed that respondent be ordered to pay the amount of ₱67,944.82, with interest, attorney’s fees equivalent to 25% of the sum due, and costs of suit.

Despite service of summons, respondent failed to file her answer. For this reason, petitioner filed a Motion to Render Judgment⁹ which was granted.

Ruling of the Metropolitan Trial Court

On July 15, 2009, the MeTC issued its Decision¹⁰ dismissing the case, thus:

Inasmuch as this case falls under the Rule on Summary Procedure, judgment shall be rendered as may be warranted by the facts alleged in the complaint and limited to what was prayed for.

For decision is whether x x x plaintiff is entitled to its claims against herein defendant.

It bears stressing that in civil cases, the party having the burden of proof must establish his case by preponderance of evidence. As mentioned in the case of Amoroso vs. Alegre (G.R. No. 142766, June 15, 2007), “Preponderance of evidence” is the weight, credit, and value of the aggregate evidence on either side and is usually considered to be synonymous with the term “greater weight of the evidence” or “greater weight of the credible evidence.” If plaintiff claims a right granted or created by law, he must prove his claim by competent evidence. He must rely on the strength of his own evidence and not upon the weakness of that of his opponent.

Scrutiny of the pieces of evidence submitted by plaintiff, particularly the single statement of account dated July 7^[a] 2006, discloses that what were merely reflected therein are the amounts imposed as late charges and interest charges. Nothing in the said document would indicate the alleged purchases made by

⁵ Id. at 38-45.

⁶ Id. at 38.

⁷ Id. at 42.

⁸ Id. at 43.

⁹ Id. at 48-49.

¹⁰ Id. at 50-51; penned by Presiding Judge Joy N. Casihan-Dumlao.



defendant. Considering that there is sans [sic] of evidence showing that defendant made use [sic] plaintiff's credit facilities, it could no [sic] be said then that the amount of ₱67,944.82 alleged to be defendant's outstanding balance was the result of the latter's availment of plaintiff's credit card.

WHEREFORE, judgment is hereby rendered, DISMISSING herein complaint for lack of preponderance of evidence.

SO ORDERED.¹¹

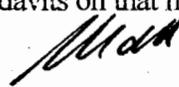
Ruling of the Regional Trial Court

Petitioner appealed before the Regional Trial Court (RTC) which, in a May 6, 2010 Decision,¹² affirmed the MeTC. It held:

In essence, Appellant argued that the Lower Court erred in dismissing the case on the ground of insufficiency of evidence. Accordingly, the evidence presented by Appellant is enough to pass the requirement of preponderance of evidence based on the disputable presumption enunciated under Rule 131, Section 3 (q) of the Revised Rules of Court. Appellant added that the account of the defendant-appellee Luz Alarte x x x could not have incurred penalties and interest charges if no purchases were made thereon. That likewise, Appellee was deemed to have admitted her obligation when she did not object to the amounts stated on the statement of accounts sent by the Appellant in the regular course of its business and as well, upon receiving the demand letter dated 03 October 2007 for the payment of Php 67,944.82.

A careful review of the Decision appealed from reveals that there really was no clear proof on how the amount claimed by the Appellant was incurred by the Appellee. This is so because if ever, the disputable presumption under the Rule only showed to the Court that the statement of accounts were indeed sent by the Appellant to the Appellee on a "regular basis" but not the details itself of the purchase transactions showing the fact that Appellee made use of the Appellant's credit facilities up to the amount claimed together with the imposition of unconscionable interest and penalties as basis for the grant thereof. In short, the presumed existence of the statement of accounts cannot be considered as repository of the truth of the facts stated in the single statement of account dated 07 July 2006 presented by the Appellant considering that only the presentation of the detailed purchase transactions had by the Appellee in using the credit card facilities of the Appellant can show that the amount claimed by the latter was actually incurred by the former.

Appellant further argued that the Lower Court should have issued an order setting a clarificatory hearing to establish the principal amount due and required the plaintiff to submit affidavits on that matter pursuant to Section 10 of the Rules on Summary Procedure.



¹¹ Id.

¹² Id. at 64-65; Decision in Civil Case No. 72180 penned by Judge Rolando G. Misleng of the Pasig City RTC, Branch 167.

Section 10 of the Revised Rules of Summary Procedure speaks of matters that requires [sic] clarification in the affidavits and position papers which the Court might require the parties through an order, [sic] it does not in any way speak of the appreciation of evidence by the Court as subject matter for clarificatory hearing. Be that as it may, the Order of the Lower Court dated 29 April 2009 was enough in giving the Appellant the opportunity to submit supporting details of the monthly statement to prove its case.

WHEREFORE, premises considered, finding no reversible error on [sic] the Decision of the Court a quo, being supported by substantial evidence as basis thereof, the same is hereby AFFIRMED in toto. Costs against the Plaintiff-Appellant.

SO ORDERED.¹³

Ruling of the Court of Appeals

Petitioner filed a Petition for Review¹⁴ before the CA docketed as CA-G.R. SP No. 114345. In a September 28, 2011 Decision, however, the CA affirmed the Decisions of the MeTC and RTC. It held:

Petitioner posits that the RTC erred in sustaining the [MeTC] in dismissing the case for lack of evidence since it was able to prove its claim by preponderance of evidence.

Section 1, Rule 133 of the Revised Rules of Court provides:

‘SECTION 1. *Preponderance of evidence, how determined.* – In civil cases, the party having the burden of proof must establish his case by a preponderance of evidence. In determining where the preponderance or superior weight of evidence on the issues involved lies, the court may consider all the facts and circumstances of the case, x x x.’

Based on the facts and circumstances in this case, there is indeed no basis for the claim. As aptly observed by the RTC, there was no clear proof on how the amount claimed by petitioner was incurred by respondent, thus:

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A careful review of the Decision appealed from reveals that there really was no clear proof on how the amount claimed by the Appellant was incurred by the appellee. This is so because if ever, the disputable presumption under the Rule only showed to the Court that the statement of accounts were indeed sent by the Appellant to the Appellee on a ‘regular basis’ but not the details itself of the purchase transactions showing the fact that Appellee made use of the Appellant’s credit facilities up to

¹³ Id.

¹⁴ Id. at 56-72.

the amount claimed together with the imposition of unconscionable interest and penalties as basis for the grant thereof. In short, the presumed existence of the statement of accounts cannot be considered as repository of the truth of the facts stated in the single statement of account dated 07 July 2006 presented by the Appellant considering that only the presentation of the detailed purchase transactions had by the Appellee in using the credit card facilities of the Appellant can show that the amount claimed by the latter was actually incurred by the former.

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xxx'

Burden of proof is the duty of a party to present evidence to establish his claim or defense by the amount of evidence required by law, which is preponderance of evidence in civil cases. As a rule, he who alleges the affirmative of the issue has the burden of proof. Here, the burden of proof lies with the petitioner. As such, it has the obligation to present such quantum of evidence necessary to prove its claim. Unfortunately, the petitioner not only failed to overturn this burden but also failed to adduced [sic] the evidence required to prove such claim. While it may be true that respondent applied for and was granted a credit accommodation by petitioner, the latter failed to adduce enough evidence to establish that it is entitled to the payment of the amount of Php67,944.82. The Statement of Account submitted by petitioner showing the alleged obligation of the respondent merely states the late charges and penalty incurred but did not enumerate the alleged purchases/transactions made by the respondent while using the credit card issued by the petitioner. Thus, having failed to establish its claim by preponderance of evidence, the dismissal of the petition is warranted.

WHEREFORE, premises considered, the petition under consideration is DISMISSED and the assailed Decision dated May 06, 2010 of Regional Trial Court of Pasig, Branch 167 is hereby AFFIRMED.

SO ORDERED.¹⁵

Petitioner moved to reconsider, but in a July 4, 2012 Resolution, the CA held its ground. Hence, the present Petition.

The Court notes that all throughout the proceedings, respondent did not participate. She did not file her answer in the MeTC. Nor did she file any comment or position paper in the RTC appeal, as well as the CA petition for review. Just as well, she failed to submit her Comment to the instant Petition for which reason fine was imposed upon her by the Court on two occasions. And in an August 27, 2015 Manifestation,¹⁶ petitioner declared that it is submitting the instant case for resolution on the basis of the pleadings on record.



¹⁵ Id. at 25-26.

¹⁶ Id. at 120-121.

Issue and Arguments

Petitioner simply submits that it has presented sufficient evidence to support its pecuniary claim. It claims that the July 9, 2006 Statement of Account¹⁷ properly reflected the respondent's obligation; that respondent is estopped from questioning the said statement of account as it contains a waiver, stating that if respondent does not question the same within 20 days from receipt, "Bankard, Inc. will deem the Statement true and correct";¹⁸ that respondent's failure to file her Answer in the MeTC and Comment before the RTC and the CA likewise results in the validation of the statement of account; that with her failure to answer, all the material allegations in the Complaint are deemed admitted, especially the statement of account which should have been specifically denied under oath; that if judgment is not rendered in its favor, this would result in the unjust enrichment of respondent at its expense; and that if the MeTC, RTC, and CA are affirmed, this would result in a situation where credit card holders could evade their obligations by simply ignoring cases filed against them, as in this case where, despite proper notice, respondent failed and refused to file her Answer to the Complaint, her respective comments to the RTC appeal, CA petition, and the instant Petition.

Petitioner thus prays that the questioned CA dispositions be reversed and set aside, and that judgment be rendered granting its prayer as stated in its Complaint, that is, that respondent be ordered to pay the amount of ₱67,944.82, with interest; attorney's fees equivalent to 25% of the sum due; and costs of suit.

Our Ruling

The Petition is partially granted.

A perusal of the July 9, 2006 Statement of Account sent to respondent would indeed show that it does not contain the particulars of purchase transactions entered into by the latter; it merely contains the following information:

PREVIOUS STATEMENT BALANCE		₱64,615.64
3562-8688-5155-1006 LUZ TATEL ALARTE		
07/04/06	07/04/0	LATE CHARGES 1,484.84
07/07/06	07/07/06	INTEREST CHARGES 1,844.34
		SUB TOTAL 3,329.18
		BALANCE END ₱67,944.82
*** END OF STATEMENT – PAGE 1 *** ¹⁹		



¹⁷ Records, p. 5.

¹⁸ Rollo, p. 13

¹⁹ Records, p. 5.

However, the manner in which the statement of account is worded indicates that it is a running balance, a continuing and mounting bill of charges consisting of a combined principal amount with finance and penalty charges imposed, which respondent appears to have failed to pay in the past. This is shown by the fact that respondent has failed to pay a past bill amounting to ₱64,615.64 – the “previous statement balance” in the very first line of the above-quoted statement of account. This could mean that there really were no immediate purchase transactions made by respondent for the month that needed to be specified in the July 9, 2006 Statement of Account; that instead, she simply repeatedly failed and continues to fail to pay her credit card debt arising out of past credit card purchase transactions to petitioner, which thus resulted in a mounting pile of charges imposed upon her outstanding account as reflected in a statement or bill of charges or accounts regularly sent to her.

Petitioner’s fault appears to lie in the fact that its Complaint was not well-prepared, and its cause is not well-argued; for this reason, the courts below misunderstood both. Upon being apprised of the MeTC’s Decision dismissing the case for failure to “indicate the alleged purchases made by”²⁰ respondent, petitioner could have simply included in its RTC appeal a simple summary of respondent’s account; the source of her debt, such as the credit card transactions she made in the past and, her past statements of account to prove that the July 9, 2006 statement of account was merely a running or accumulated balance and did not necessarily involve immediate credit card purchases. Instead, petitioner made the mistake of laying blame upon the MeTC and RTC for not conducting a clarificatory hearing and for not requiring it to submit affidavits “on that matter”,²¹ when enlightenment should have come primarily from it as it is precisely engaged in the credit card business and is therefore presumed to be an expert on the subject.

While it can be said that, from the point of view of petitioner’s business dealings with respondent, the former is not obliged, *each and every time*, to send a statement of account to the latter containing a detailed list of all the credit card transactions she made in the past which remain unsettled and outstanding as of the date of issuance of the latest statement of account, as she is presumed to know these from past statements of account received. The matter, however, is not so simple from the viewpoint of someone who is not privy to their transactions, such as the courts.

This Court cannot completely blame the MeTC, RTC, and CA for their failure to understand or realize the fact that a monthly credit card statement of account does not always necessarily involve purchases or transactions made immediately prior to the issuance of such statement; certainly, it may be that the card holder did not at all use the credit card for the month, and the statement of

²⁰ *Rollo*, p. 51

²¹ *Id.* at 69.

account sent to him or her refers to principal, interest, and penalty charges incurred from past transactions which are too multiple or cumbersome to enumerate but nonetheless remain unsettled by the card holder. This Court cannot judge them for their lack of experience or practical understanding of credit card arrangements, although it would have helped if they just endeavored to derive such an understanding of the process.

Thus, it would not hurt the cause of justice to remand the case to the MeTC where petitioner would be required to amend its Complaint and adduce additional evidence to prove its case; that way, the lower court can better understand the nature of the claim, and this time it may arrive at a just resolution of the case. This is to say that while the Court believes that petitioner's claim may be well-founded, it is not enough as to allow judgment in its favor on the basis of extant evidence. It must prove the validity of its claim; this it may do by amending its Complaint and adducing additional evidence of respondent's credit history and proving the loan transactions between them. After all, credit card arrangements are simple loan arrangements between the card issuer and the card holder.

Simply put, every credit card transaction involves three contracts, namely: (a) the sales contract between the credit card holder and the merchant or the business establishment which accepted the credit card; (b) the loan agreement between the credit card issuer and the credit card holder; and lastly, (c) the promise to pay between the credit card issuer and the merchant or business establishment.²²

WHEREFORE, the Petition is **PARTIALLY GRANTED**. The September 28, 2011 Decision and July 4, 2012 Resolution of the Court of Appeals in CA-G.R. SP No. 114345 are **REVERSED** and **SET ASIDE**. Civil Case No. 13956 is reinstated, and the Metropolitan Trial Court of Pasig City, Branch 72 is **ORDERED** to conduct further proceedings in accordance with the foregoing disquisition of the Court and allow petitioner Bankard, Inc. (now RCBC Bankard Services Corporation) to amend its Complaint and/or present additional evidence to prove its case.

SO ORDERED.


MARIANO C. DEL CASTILLO
Associate Justice

²² *Pantaleon v. American Express International, Inc.*, 643 Phil. 488, 503 (2010).

WE CONCUR:

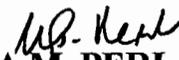


MARIA LOURDES P. A. SERENO

Chief Justice

Chairperson


TERESITA J. LEONARDO-DE CASTRO
Associate Justice


ESTELA M. PERLAS-BERNABE
Associate Justice


ALFREDO BENJAMIN S. CAGUIOA
Associate Justice

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



MARIA LOURDES P. A. SERENO

Chief Justice

