

### Title: Aznar vs. Citibank, N.A. (Philippines)

### Facts:

Emmanuel B. Aznar, a prominent businessman from Cebu and a Citibank Preferred Master Credit Card holder, planned an Asian tour with his family, depositing P485,000.00 to increase his credit card limit to P635,000.00. During the tour, his card was dishonored multiple times across Malaysia, Singapore, and Indonesia, notably by Ingtan Tour and Travel Agency in Indonesia, where it was purportedly blacklisted.

On August 26, 1994, Aznar filed a damages complaint against Citibank, alleging fraudulent blacklisting of his card causing inconvenience and humiliation. The case was tried in RTC Cebu City (Branch 20) and was later re-raffled to Branch 10. Citibank denied Aznar's claims, presenting Warning Cancellation Bulletins to evidence the card was not blacklisted. The RTC first dismissed Aznar's complaint for lack of merit but, after re-raffling, granted Aznar's motion for reconsideration, awarding substantial damages. Citibank appealed to the CA, which reinstated the original RTC decision dismissing the case and denying subsequent motions from Aznar. Following an administrative case against Judge De la Peña of RTC Branch 10, he was suspended for six months for misconduct related to this case. Aznar then petitioned the Supreme Court for review.

### Issues:

1. Whether Aznar provided sufficient evidence for his claim against Citibank.
2. Admissibility and authenticity of the evidence, specifically the electronic document indicating card denial.
3. Whether the denial of Aznar's credit card constitutes a breach of contract by Citibank, meriting damages.
4. Examinations of Citibank's credit card terms and conditions, specifically the limitation of liability for card dishonor by merchant affiliates and its interpretation as a contract of adhesion.

### Court's Decision:

The Supreme Court ruled in favor of Citibank, holding that Aznar failed to prove his claim by preponderance of evidence. The Court found the evidence presented by Aznar (the computer print-out) was not authenticated satisfactorily and thus could not substantiate the allegation of blacklisting, nor could it establish gross negligence on the part of Citibank. The

Court also declared the terms of Citibank's liability limitation and non-responsibility for card dishonor by merchants, as stipulated in their agreement, as contracts of adhesion that are unconscionable and not absolute in exempting Citibank from liability. However, despite these findings, Aznar's failure to prove a breach of duty on Citibank's part that directly caused his purported damages meant he was not entitled to damages.

### ### Doctrine:

1. **Burden of Proof**: In civil cases, the burden of proof rests on the plaintiff to establish his claim based on a preponderance of evidence.
2. **Authentication of Electronic Documents**: The authenticity of an electronic document must be established according to specific rules before it is received in evidence.
3. **Contracts of Adhesion**: Contracts prepared by only one party where the other merely signifies adhesion are interpreted against the preparer, especially in cases of ambiguity.

### ### Class Notes:

- **Burden of Proof**: Essential in establishing a claim; the party alleging a fact must substantiate the claim with evidence.
- **Authentication**: Critical for electronic documents' admissibility; must adhere to rules on electronic evidence.
- **Contract of Adhesion**: Understanding the nature and implications, especially in credit card agreements, is critical for discernment in contractual obligations and rights.
- **Damnum Absque Injuria**: Not all damages correspond to legal injuries amenable to compensatory remedies.

### **Legal Statutes or Provisions**:

- **Rules on Electronic Evidence (Philippines)**: Provides guidelines for the authentication and admissibility of electronic documents in legal proceedings.
- **Articles 1170, 2219, and 2220 of the Civil Code of the Philippines**: Pertinent to cases involving claims for damages due to fraud, negligence, or breach of contract.

### ### Historical Background:

This case underscores the evolving legal landscape concerning the use and authentication of electronic documents in judicial proceedings. It also highlights the judiciary's role in interpreting contracts of adhesion, especially in consumer transactions like those involving credit cards in the financial industry.