

Title: **Boongaling vs. Banco San Juan**

Facts:

Leodegario D. Boongaling and Fortunato Diate, depositors of Banco San Juan, discovered discrepancies in their savings account, prompting them to file a complaint for sum of money and damages against the bank. The account, last updated in December 2008, showed a significant balance reduction from P574,313.93 to P16,000.00, which they were unaware of until informed about the account's dormant status in October 2010. Upon investigation, forgery by two former bank employees was revealed as the cause of unauthorized withdrawals in April 2008. Despite the bank's acknowledgment of these internal frauds starting from 2006 and their efforts to inform all depositors and compensate affected accounts, Boongaling and Diate claimed they were not properly notified nor compensated for the fraudulent withdrawals from their account.

The Regional Trial Court (RTC) of Baguio City decided in favor of Boongaling and Diate based on the pleadings, granting them damages totaling P1,674,313.93. Banco San Juan's motion for reconsideration was denied, prompting an appeal to the Court of Appeals (CA), which reversed the RTC's decision and remanded the case for trial on the merits, highlighting the improper grant of judgment on the pleadings by the RTC.

Issues:

1. Whether the case should be dismissed due to mootness or forum shopping.
2. Whether the CA erred in reversing the RTC's judgment on the pleadings and remanding the case for trial on the merits.

Court's Decision:

The Supreme Court denied Boongaling's petition, affirming the CA's decision. It ruled that the enforcement of the trial court's judgment did not render the bank's appeal moot, dismissing claims of forum shopping by the respondent. Most crucially, it agreed with the CA that the RTC improperly rendered judgment on the pleadings, as the bank's answer had indeed tendered several genuine issues for trial, particularly regarding the allegations of forgery, the authenticity of withdrawals, and the negligence on the part of the bank.

Doctrine:

1. **Judgment on the Pleadings and Summary Judgment:** The Supreme Court clarified the conditions under which a judgment on the pleadings and a summary judgment may be appropriately rendered, emphasizing that genuine issues presented in an answer preclude

the granting of a judgment on the pleadings. The Court articulated that a summary judgment is appropriate only when there is no genuine issue of fact, necessitating a trial on the merits for resolution.

****Class Notes:****

- ****Mootness:**** A case becomes moot when no actual substantial relief can be achieved as a result of the court's decision.
- ****Forum Shopping:**** Forum shopping occurs when a party seeks a favorable opinion in another forum through means other than appeal or certiorari due to an adverse decision or in anticipation thereof.
- ****Judgment on the Pleadings:**** This is appropriate when an Answer does not tender any issue or admits the material allegations of the adverse party's pleading.
- ****Summary Judgment:**** This can be granted when there is no genuine issue as to any material fact and the moving party is entitled to a judgment as a matter of law.

****Historical Context:****

This case underscores the challenges in the banking sector concerning internal fraud and the legal recourse available to depositors affected by such misconduct. It illustrates the procedural intricacies in litigating banking disputes, especially the nuances between judgments on the pleadings vs. summary judgments, shedding light on the judiciary's role in ensuring justice through meticulous procedural scrutiny.