PHILIPPINE NATIONAL BANK, PETITIONER, VS. COURT OF APPEALS AND LILY S. PUJOL, RESPONDENTS.

G.R. No. 126152. September 28, 1999

Ponente: BELLOSILLO, J.

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BELLOSILLO, J.:

PHILIPPINE NATIONAL BANK filed this petition for review on certiorari under Rule 45 of the Rules of Court assailing the Decision of the Court of Appeals[1] which affirmed the award of damages by the Regional Trial Court, Branch 154, Pasig City in favor of private respondent Lily S. Pujol.[2]

Sometime prior to 23 October 1990 private respondent Lily S. Pujol opened with petitioner Philippine National Bank, Mandaluyong Branch (PNB for brevity), an account denominated as "Combo Account," a combination of Savings Account and Current Account in private respondent's business name "Pujol Trading," under which checks drawn against private respondent’s checking account could be charged against her Savings Account should the funds in her Current Account be insufficient to cover the value of her checks. Hence, private respondent was issued by petitioner a passbook on the front cover of which was typewritten the words "Combo Deposit Plan."

On 23 October 1990, private respondent issued a check in the amount of P30,000.00 in favor of her daughter-in-law, Dr. Charisse M. Pujol. When issued and presented for payment, private respondent had sufficient funds in her Savings Account. However, petitioner dishonored her check allegedly for insufficiency of funds and debited her account with P250.00 as penalty charge.

On 24 October 1990 private respondent issued another check in the amount of P30,000.00 in favor of her daughter, Ms. Venus P. De Ocampo. When issued and presented for payment petitioner had sufficient funds in her Savings Account. But, this notwithstanding, petitioner dishonored her check for insufficiency of funds and debited her account with P250.00 as penalty charge. On 4 November 1990, after realizing its mistake, petitioner accepted and honored the second check for P30,000.00 and re-credited to private respondent’s account the P250.00 previously debited as penalty.

Private respondent Lily S. Pujol filed with the Regional Trial Court of Pasig City a complaint for moral and exemplary damages against petitioner for dishonoring her checks despite sufficiency of her funds in the bank.

Petitioner admitted in its answer that private respondent Pujol opened a "Combo Account," a combination of Savings Account and Current Account, with its Mandaluyong branch. It however justified the dishonor of the two (2) checks by claiming that at the time of their issuance private respondent Pujol’s account was not yet operational due to lack of documentary requirements, to wit: (a) Certificate of Business Registration; (b) Permit to Operate Business; (c) ID Card; and, (d) Combination Agreement. Petitioner further alleged that despite the non-compliance with such requirements petitioner placed the sign "Combo Flag" on respondent Pujol’s account out of courtesy and generosity. Petitioner also admitted that it later honored private respondent's second check, debited the amount stated therein from her account and re-credited the amount of P250.00 initially charged as penalty.

On 27 September 1994 the trial court rendered a decision ordering petitioner to pay private respondent Pujol moral damages of P100,000.00 and attorney's fees of P20,000.00. It found that private respondent suffered mental anguish and besmirched reputation as a result of the dishonor of her checks, and that being a former member of the judiciary who was expected to be the embodiment of integrity and good behavior, she was subjected to embarrassment due to the erroneous dishonor of her checks by petitioner.

The Court of Appeals affirmed in toto the decision of the trial court. Hence, petitioner comes to this Court alleging that the appellate court erred (a) in holding that petitioner was estopped from denying the existence of a "Combo Account" and the fact that it was operational at the time of the issuance of the checks because respondent Pujol was issued a Savings Account passbook bearing the printed words "Combo Deposit Plan;" and, (b) in not holding that the award by the trial court of moral damages of P100,000.00 and attorney's fees of P20,000.00 was inordinately disproportionate and unconscionable.

We cannot sustain petitioner. Findings of fact and conclusions of the lower courts are entitled to great weight on appeal and will not be disturbed except for strong and cogent reasons, and for that matter, the findings of the Court of Appeals especially when they affirm the trial court, and which are supported by substantial evidence, are almost beyond the power of review by the Supreme Court.[3]

Petitioner does not dispute the fact that private respondent Pujol maintained a Savings Account as well as a Current Account with its Mandaluyong Branch and that private respondent applied for a "Combination Deposit Plan" where checks issued against the Current Account of the drawer shall be charged automatically against the latter's Savings Account if her funds in the Current Account be insufficient to cover her checks. There was also no question that the Savings Account passbook of respondent Pujol contained the printed words "Combo Deposit Plan" without qualification or condition that it would take effect only after submission of certain requirements. Although petitioner presented evidence before the trial court to prove that the arrangement was not yet operational at the time respondent Pujol issued the two (2) checks, it failed to prove that she had actual knowledge that it was not yet operational at the time she issued the checks considering that the passbook in her Savings Account already indicated the words "Combo Deposit Plan." Hence, respondent Pujol had justifiable reason to believe, based on the description in her passbook, that her accounts were effectively covered by the arrangement during the issuance of the checks. Either by its own deliberate act, or its negligence in causing the "Combo Deposit Plan" to be placed in the passbook, petitioner is considered estopped to deny the existence of and perfection of the combination deposit agreement with respondent Pujol. Estoppel in pais or equitable estoppel arises when one, by his acts, representations or admissions, or by his silence when he ought to speak out, intentionally or through culpable negligence, induces another to believe certain facts to exist and such other rightfully relies and acts on such belief so that he will be prejudiced if the former is permitted to deny the existence of such facts.[4]

As found by the Court of Appeals, petitioner knew it committed a mistake in dishonoring the checks of respondent Pujol. This was based on the testimony of Pedro Lopez, petitioner's employee, that after the second check was dishonored, petitioner examined respondent Pujol's account and learned that there was sufficient funds in the Savings Account, and that only after the second check was dishonored did petitioner rectify its error.[5] The appellate court also found that respondent Pujol, who is a retired judge and community leader, issued the first check dated 23 October 1990 to her daughter-in-law, Dr. Charisse Pujol, who in turn indorsed the check to her mother. The latter needed the money to refloat two (2) of their vessels which sank during a typhoon. When the check was dishonored for insufficient funds, private respondent's daughter-in-law confronted the former which subjected her to embarrassment and humiliation. Petitioner issued the second check dated 24 October 1990 to daughter Venus de Ocampo as payment for the expenses of her round trip ticket to the United States which were shouldered by her son-in-law, husband of Venus de Ocampo. When the second check was initially dishonored for

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insufficiency of funds, she again suffered serious anxiety and mental anguish that her son-in-law would no longer hold her in high esteem.[6]

This Court has ruled that a bank is under obligation to treat the accounts of its depositors with meticulous care whether such account consists only of a few hundred pesos or of millions of pesos. Responsibility arising from negligence in the performance of every kind of obligation is demandable. While petitioner's negligence in this case may not have been attended with malice and bad faith, nevertheless, it caused serious anxiety, embarrassment and humiliation to private respondent Lily S. Pujol for which she is entitled to recover reasonable moral damages.[7] In the case of Leopoldo Araneta v. Bank of America[8] we held that it can hardly be possible that a customer's check can be wrongfully refused payment without some impeachment of his credit which must in fact be an actual injury, although he cannot, from the nature of the case, furnish independent and distinct proof thereof.

Damages are not intended to enrich the complainant at the expense of the defendant, and there is no hard-and-fast rule in the determination of what would be a fair amount of moral damages since each case must be governed by its own peculiar facts. The yardstick should be that it is not palpably and scandalously excessive. In this case, the award of P100,000.00 is reasonable considering the reputation and social standing of private respondent Pujol and applying our rulings in similar cases involving banks' negligence with regard to the accounts of their depositors.[9] The award of attorney's fees in the amount of P20,000.00 is proper for respondent Pujol was compelled to litigate to protect her interest.[10]

WHEREFORE, the petition is DENIED and the Decision of the Court of Appeals which affirmed the award by the Regional Trial Court of Pasig City of moral damages of P100,000.00 and attorney's fees of P20,000.00 in favor of private respondent Lily S. Pujol is AFFIRMED. Costs against petitioner.

SO ORDERED.

Mendoza, Quisumbing, and Buena, JJ., concur.

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[1] Decision penned by Associate Justice Antonio M. Martinez of the Court of Appeals (later of the Supreme Court), concurred in by Associate Justices Ricardo P. Galvez (now Solicitor General) and Hilarion L. Aquino.

[2] Decision penned by Judge Ramon R. Buenaventura, RTC-Br. 154, Pasig City.

[3] Atlantic Gulf and Pacific Company of Manila, Inc. v. Court of Appeals, G.R. Nos. 114841-42, 23 August 1995, 247 SCRA 606.

[4] Panay Electric Co., Inc. v. Court of Appeals, G.R. No. 81939, 29 June 1989, 174 SCRA 500.

[5] Rollo, p. 32.

[6] Ibid.

[7] Metropolitan Bank and Trust Company v. Court of Appeals, G.R. No. 112576, 26 October 1994, 237 SCRA 761.

[8] No. L-25414, 30 July 1971, 40 SCRA 144.

[9] Tan v. Court of Appeals, G.R. No. 108555, 20 December 1994, 239 SCRA 310.

[10] Ibid.

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