# CITYTRUST BANKING CORPORATION (NOW BANK OF THE PHILIPPINE ISLANDS), PETITIONER, VS. CARLOS ROMULO N. CRUZ, RESPONDENT.

*G.R. No. 157049. August 11, 2010*

Ponente: BERSAMIN, J.

Read online (full-text search, related cases, audio case brief): https://batas.org/library/g-r-no-157049/

**BERSAMIN, J.:**

Under review is the decision promulgated on October 8, 2002 in C.A.- G.R. CV No. 48928,[1] whereby the Court of Appeals (CA) affirmed the decision dated January 13, 1995 of the Regional Trial Court (RTC), Branch 91, in Quezon City,[2] finding the petitioner liable to pay to the respondent moral damages of P100,000.00, exemplary damages of P20,000.00, and attorney's fees of P20,000.00.

In the time material to the case, the respondent, an architect and businessman, maintained savings and checking accounts at the petitioner's Loyola Heights Branch. The savings account was considered closed due to the oversight committed by one of the latter's tellers. The closure resulted in the extreme embarrassment of the respondent, for checks that he had issued could not be honored although his savings account was sufficiently funded and the accounts were maintained under the petitioner's check-o-matic arrangement (whereby the current account was maintained at zero balance and the funds from the savings account were automatically transferred to the current account to cover checks issued by the depositor like the respondent).

Unmoved by the petitioner's apologies and the adjustment made on his accounts by its employees, the respondent sued in the RTC to claim damages from the petitioner.

After trial, the RTC ruled in the respondent's favor, and ordered the petitioner to pay him P100,000.00 as moral damages, P20,000.00 as exemplary damage, and P20,0000.00 as attorney's fees. The RTC found that the petitioner had failed to properly supervise its teller; and that the petitioner's negligence had made the respondent suffer serious anxiety, embarrassment and humiliation, entitling him to damages.[3]

The petitioner appealed to the Court of Appeals (CA), arguing that the RTC erred in ordering it to pay moral and exemplary damages.

However, the CA affirmed the RTC, explaining that the erroneous closure of the respondent's account would not have been committed in the first place if the petitioner had not been careless in supervising its employees. According to the CA, "the fiduciary relationship and the extent of diligence that is to be expected from a banking institution, like herein appellant Citytrust, in handling the accounts of its depositors cannot be relaxed behind the shadow of an employee whether or not he/she is new on the job."[4] Moreover, the CA said that the negligence of the petitioner's personnel was the proximate cause that had set in motion the events leading to the damage caused to the respondent; hence, the RTC correctly opined that "while a bank is not expected to be infallible, it must bear the blame for not discovering the mistake of its teller for lack of proper supervision."[5]

The petitioner sought reconsideration, but the CA denied its motion for reconsideration for lack of merit.

Hence, this appeal, in which the petitioner maintains that there were "decisive fact situations showing excusable negligence and good faith"[6] that did not justify the award of moral and exemplary damages and attorney's fees.

The petition has no merit.

Firstly, the errors sought to be reviewed focused on the correctness of the factual findings of the CA. Such review will require the Court to again assess the facts. Yet, the Court is not a trier of facts. Thus, the appeal is not proper, for only questions of law can be elevated to the Court via petition for review on certiorari.[7]

Secondly, nothing from the petitioner's arguments persuasively showed that the RTC and the CA erred. The findings of both lower courts were fully supported by the evidence adduced.

Unquestionably, the petitioner, being a banking institution, had the direct obligation to supervise very closely the employees handling its depositors' accounts, and should always be mindful of the fiduciary nature of its relationship with the depositors. Such relationship required it and its employees to record accurately every single transaction, and as promptly as possible, considering that the depositors' accounts should always reflect the amounts of money the depositors could dispose of as they saw fit, confident that, as a bank, it would deliver the amounts to whomever they directed.[8] If it fell short of that obligation, it should bear the responsibility for the consequences to the depositors, who, like the respondent, suffered particular embarrassment and disturbed peace of mind from the negligence in the handling of the accounts.

Thirdly, in several decisions of the Court,[9] the banks, defendants therein, were made liable for negligence, even without sufficient proof of malice or bad faith on their part, and the Court awarded moral damages of P100,000.00 each time to the suing depositors in proper consideration of their reputation and their social standing. The respondent should be similarly awarded for the damage to his reputation as an architect and businessman.

Lastly, the CA properly affirmed the RTC's award of exemplary damages and attorney's fees. It is never overemphasized that the public always relies on a bank's profession of diligence and meticulousness in rendering irreproachable service.[10] Its failure to exercise diligence and meticulousness warranted its liability for exemplary damages and for reasonable attorney's fees.

WHEREFORE, we deny the petition for review on certiorari, and affirm the decision rendered on October 8, 2002 by the Court of Appeals.

Costs of suit to be paid by the petitioner.

**SO ORDERED.**

Carpio Morales, (Chairperson), Brion, Abad,[*]and Villarama, Jr., JJ., concur.

---

[*] Additional member per Special Order No. 843 dated May 17, 2010.

[1] Rollo, pp. 39-49; penned by Associate Justice Danilo B. Pine (retired), with Associate Justice Ruben T. Reyes (later a Member of the Court, since retired) and Associate Justice Andres B. Reyes, Jr. (now Presiding Justice of the Court of Appeals) concurring.

[2] Id., pp. 56-64; penned by then Presiding Judge Marina L. Buzon (later an Associate Justice of the Court of Appeals).

[3] Id.

[4] Supra, at note 1, p. 46.


*Bar review courses, mock exams and a study planner that keeps you on pace - batas.org*

[5] Id.

[6] Id., p. 30.

[7] Section 1, Rule 45, Rules of Court, specifically states that the petition for review on certiorari "shall raise only questions of law, which must be distinctly set forth."

[8] Citytrust Banking Corp. v. Intermediate Appellate Court, G.R. No. 84281, 27 May 1994, 232 SCRA 559, 564.

[9] Prudential Bank v. Court of Appeals, G.R. No. 125536, March 16, 2000, 328 SCRA 264; Philippine National Bank v. Court of Appeals, G.R. No. 126152, September 28, 1999, 315 SCRA 309; Metropolitan Bank and Trust Company v. Wong, G.R. No. 120859, June 26, 2001, 359 SCRA 608.

[10] Prudential Bank v. Court of Appeals, supra, at p. 271.


*Study hands-free: podcast-style lessons with read-along highlighting - batas.org*

ABOUT BATAS.ORG

# Study smarter at BATAS.org

*The Philippine bar review and law-school companion built around how your brain actually remembers.*

**The complete Philippine law library - free for everyone.**

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

**Audio case-brief lectures.**

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

**Bar review built on the science of memory.**

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

**The full law-school curriculum.**

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

**Mock exams that tell you where you stand.**

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

**A study planner that keeps you on pace.**

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

**Start free at https://batas.org**

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.