

SPOUSES SERGIO AND MA. LOURDES ALUNAN, PETITIONERS, VS. TRADERS ROYAL BANK AND THE COURT OF APPEALS, RESPONDENTS.

G.R. No. 96289, February 23, 1994

Ponente: NOCON, J.

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NOCON, J.:

Petitioners have come to Us in this instant petition for review on certiorari seeking a reversal of the decision of the Court of Appeals which dismissed their complaint for damages.[1]

The background facts of the case are as follows:

On November 10, 1983 petitioner-spouses Sergio and Ma. Lourdes Alunan opened with private respondent Traders Royal Bank's Head Office in Roxas Boulevard, Pasay two accounts: Savings Account No. 050-1084311 and Current Account No. 50-7-1316 upon their initial deposits of P1,500.00 and P100.00, respectively.[2] Petitioners claim that on the same date, they signed an "authorization" arranging for Automatic Transfer of Funds from the savings account to the checking account, to cover sums in checks in case of shortage of funds in the current account.

Ma. Lourdes Alunan deposited the sum of P13,008.49 (Thirteen Thousand and Eight Pesos and Forty Nine Centavos) in Savings Account No. 050-1084311 on December 2, 1983.[3]

On the same date and the day after, she issued the following checks which were subsequently dishonored by respondent TRB:

Exh.

Date

Check No.

Amount

Reason for Dishonor

A

12/03/83

794863

P 360.00

OD (Overdrawn)

B

12/03/83

794862

1,004.37

OD

(Overdrawn)

C

12/02/83

794864

2,100.00

Account Closed

D

12/03/83

794865

765.00

Account Closed

E

12/03/83

794866

820.00

Account Closed

F

12/03/83

794867

2,000.00

OD

(Overdrawn)

Mrs. Magadia, then manager of private respondent bank, sent a warning letter[4] to petitioners dated December 6, 1983 calling their attention to the performance of their current account with the bank.[5]

Petitioners assert that the checks were dishonored due to the culpable gross negligence of the Bank's personnel, who disregarded the automatic fund transfer arrangement when there were sufficient funds in the savings account to cover the checks drawn on the current account.[6]

Private respondent Bank contends that at the time of the issuance of the six checks, there was no automatic fund transfer arrangement executed by petitioners. Although petitioners had amounts sufficient to cover checks issued, private respondent bank claims it was not authorized to touch the savings account because no automatic fund transfer was yet in force.[7] It was only after petitioners received the warning letter did they go to the bank on December 8, 1983 and execute an "Authority to Transfer" from their savings account to their current account and vice versa.[8]

After petitioners confronted the Bank Manager and failing to get satisfaction, the spouses Alunan filed an action for damages against private respondent bank.[9] In a decision dated October 21, 1988, the trial court found that there was an automatic fund transfer arrangement and held the bank liable for damages. It held:

"WHEREFORE, considering all the foregoing totality of evidence, the Court finds and so holds that plaintiff's case has been proved with a preponderance of evidence, and judgment is hereby rendered as follows:

"1. Ordering the defendant to pay plaintiffs the sum of ONE HUNDRED FIFTY (P150.00) PESOS as actual and compensatory damages, the amount as reimbursement for the penalties imposed by the bank for the six checks at P25.00 per check;

"2. Ordering the defendant to pay plaintiffs the sum of FIFTY THOUSAND (P50,000.00) PESOS as moral damages;

"3. Ordering defendant to pay plaintiffs the sum of TEN THOUSAND (P10,000.00) PESOS as exemplary damages;

"4. Ordering defendant to pay plaintiffs attorney's fees as prayed for in the total amount of NINE THOUSAND (P9,000.00) PESOS; and

"5. Ordering defendant to pay costs.

SO ORDERED.[10]

On appeal, the respondent Court of Appeals reversed and set aside the decision of the trial court and dismissed the complaint.[11]

In a resolution dated November 22, 1990, the respondent Court of Appeals denied petitioner's Motion for Reconsideration.

Hence, the instant petition for review where petitioners claim that the respondent court erred [a] in basing the decision solely on the finding that no authority for the automatic transfer of funds existed when Ma. Lourdes Alunan issued the checks in question; and [b] in disregarding the doctrine that the greatest weight is accorded the conclusions of the trial court on the question of credibility and should not be disturbed except for compelling reasons.[12]

The errors assigned by petitioners actually involve the factual issue of whether or not there was an automatic transfer of fund arrangement as of the time the dishonored checks were issued. For it is clear that had there been no such arrangement, private respondent bank would incur no liability for refusing to honor said checks.

We have clearly stated in the case of *Universal Motors Corporation v. Hon. Court of Appeals et. al.*[13]

"(O)nly questions of law may be raised on a petition for review on certiorari under Rule 45 of the Revised Rules of Court. The jurisdiction of the Supreme Court in cases brought to it from the Court of Appeals is limited to reviewing and revising the errors of law imputed to it, its findings of fact being conclusive. It is not the function of the Supreme Court to analyze or weigh such evidence all over again, its jurisdiction being limited to reviewing errors of law that might have been committed. Barring, therefore, a showing that the

findings complained of are totally devoid of support in the records, or that they are so glaringly erroneous as to constitute serious abuse of discretion, such findings must stand for the Supreme Court, is not expected or required to examine or contrast the oral and documentary evidence submitted by the parties."

It is the policy of this Court to refrain from reviewing findings of fact by the lower courts as great respect is accorded the factual discernment of the trial and appellate courts.[14]

However, this rule is subject to exceptions. Where the findings of facts are conclusions without citation of specific evidence on which they are based, or where the appellate court's findings are contrary to those of the trial court, or where the appellate court drew incorrect conclusions of fact, this Court has not declined the review of factual matters.[15]

In this case, the respondent court's findings of fact are diametrically opposed to those of the trial court. It falls within the exception to the general rule that the findings of fact of the Court of Appeals are final and conclusive and cannot be reviewed on appeal, cited above. Thus, We admit an examination of the records of this case.

Petitioners' arguments do not persuade Us.

After a thorough study of the evidence presented in the trial court, We hold that there is nothing to warrant a reversal of the findings of the respondent appellate court. Its findings of fact are unquestionably supported by the evidence adduced by the parties.

We believe respondent court's judgment to be sound when it held:

"In contending that the bank was guilty of negligence, plaintiffs claim that upon opening their joint accounts on November 10, 1983, they executed an authority for the bank to transfer funds from their savings to their current account.

"But although crucial to their cause of action, plaintiffs failed to prove this material fact. They could not produce the authority they allegedly executed on November 10, 1983. That they were not allegedly issued a copy of the authority by the bank and that the bank in turn lost the original copy thereof are claims that simply do not engender belief.

"As substitute proof, plaintiffs produced two statements of accounts issued by the bank for the months of November and December, 1983. On its front and dorsal portions, the December statement contains the printed words "Automatic Transfer Advice Debit Account No. 050-1084311". The November statement, on the other hand, shows no such notation.

"How these two documents can prove the automatic transfer arrangement in November, 1983 escapes our mind. If indeed the authority existed then, the November statement should have contained the same notation as the December statement.

"On the contrary, We find that the two documents tally with the bank's claim that the automatic transfer authority was signed only on December 8, 1983 and that is the reason why the statement issued for that month bore the notation mentioned above. The November statement did not have that notation simply because there was no authority given yet at that time.

"To bolster its defense, the bank presented a written authority signed by both plaintiffs (Exhibits "2", "2-A", and "2-B") which shows that it was only on December 8, 1983 when it was executed. This, We believe clinches the issue."[16]

WHEREFORE, the petition is DENIED, and the challenged decision of the Court of Appeals is AFFIRMED in toto.

SO ORDERED.

Narvasa, C.J., (Chairman), Padilla, Regalado, and Puno, JJ., concur.

[1] Civil Case No. 1557-P; "Spouses Sergio Alunan and Ma. Lourdes Alunan v. Traders Royal Bank"; RTC Pasay, Branch 108; Records, pp. 25 - 30.

[2] Private Respondent's Memorandum, p. 1; Rollo, p. 148.

[3] Petitioner's Memorandum, p. 2; Rollo, p. 171.

[4] Exhibit "G" for Plaintiffs/ Petitioners; Exhibit "3" for Defendant/ Private Respondent; Records, p. 119.

[5] Comment, p. 2; Rollo, p. 194.

[6] Petition, p. 1; Rollo, p. 10.

[7] Comment, p. 4; Rollo, p. 96.

[8] Comment, p. 4; Rollo, p. 96.

[9] February 20, 1984; Civil Case No. 1557-P; supra. note 1.

[10] Decision of Trial Court, p. 10; Penned by Judge Priscilla C. Mijares; Rollo, p. 81.

[11] Decision of the Court of Appeals, p. 5; CA-G.R. CV No. 20040; August 20, 1990; Penned by Justice Ricardo L. Pronove, Jr. and concurred in by Justice Alfredo L. Benipayo and Justice Salome A. Montoya; Rollo, p. 53.

[12] Petition, p. 3; Rollo, p. 12.

[13] 205 SCRA 448 (1992).

[14] Collado v. JAC, 206 SCRA 206 (1992); Morcoso v. CA, 208 SCRA 829 (1992); Ibay v. CA, 212 SCRA 147 (1992); Ramos v. CA, 203 SCRA 657 (1991).

[15] Universal Motors Corporation v. Hon. Court of Appeals, et. al., 205 SCRA 448 (1992); Prudenciado v. Alliance Transport System, Inc. 148 SCRA 440 (1987); Maclan v. Santos, 156 SCRA 542 (1987); Gatmaitan v. CA, 200 SCRA 37 (1991); Beo v. CA, 200 SCRA 575 (1991).

[16] Decision of the CA, pp. 3-4; Rollo, pp. 51-53.

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