

**\*\*Title:\*\*** Spouses Balangauan vs. Court of Appeals, HSBC, G.R. No. CA-G.R. CEB-SP No. 00068 (2013)

**\*\*Facts:\*\***

Petitioner Katherene Balangauan was employed as a Premier Customer Services Representative for HSBC. Roger Dwayne York, one of her clients, asserted that Katherene convinced him to invest ₱2,500,000.00 in a high-interest time deposit, allegedly available to Premier clients. Upon his inquiry at HSBC's branch when Katherene was on leave, York discovered no record of such an investment. Investigations unveiled that transactions related to York's funds had been made using Katherene's access details and workstation, identified by the code "CEO8."

York signed several documents under the impression that they pertained to his investment, yet they later appeared to be withdrawal slips and cash movement tickets. Subsequently, small, regular deposits began appearing in York's accounts, which HSBC posited were potentially interest payments from the investment. HSBC reimbursed York the ₱2,500,000.00 upon discovery of no actual investment.

HSBC filed a complaint for Estafa against Katherene and her husband, Bernyl. After preliminary investigation, the City Prosecutor dismissed the complaint, finding no probable cause. HSBC appealed to the DOJ, which also dismissed for lack of reversible error. HSBC subsequently petitioned the Court of Appeals, which reversed the DOJ's resolution, ordering the City Prosecutor to file the estafa charges. Spouses Balangauan challenged the appellate court's decision at the Supreme Court through a Petition for Certiorari under Rule 65, arguing the absence of probable cause and grave abuse of discretion by the appellate court.

**\*\*Issues:\*\***

1. Whether the Court of Appeals committed grave abuse of discretion in ordering the filing of Estafa charges despite the DOJ's and the City Prosecutor's findings of lack of probable cause.
2. Whether Katherene and Bernyl Balangauan have provided sufficient defense against the estafa charge.
3. Whether procedural lapses in filing the complaint warrant dismissal.
4. Whether HSBC has the proper standing to file the criminal complaint given it reimbursed the lost amount to York.
5. The appropriateness of the legal remedy (Petition for Certiorari) utilized by the Balangauan spouses.

**\*\*Court's Decision:\*\***

1. **\*\*Grave Abuse of Discretion:\*\*** The Supreme Court found no grave abuse of discretion on part of the Court of Appeals. The CA's finding of probable cause was consistent with the factual evidence indicating deceit. The CA concluded that the burden of probable cause for charging was met, fulfilling its procedural duty.
2. **\*\*Sufficiency of Defense:\*\*** The entitlement to a defense is to be proven during trial. Matters raised, like denial and attribution to other possibilities, are proper issues of evidence for the trial phase, not for determining probable cause.
3. **\*\*Procedural Lapse:\*\*** The Supreme Court did not find procedural lapses significant enough for dismissing HSBC's petition nor did they find want of legal standing; reimbursement did not negate HSBC's right to file.
4. **\*\*Standing of HSBC:\*\*** The bank, having indemnified York, acquired standing as the aggrieved party to seek redress and hold accountable those perceived to have committed fraud.
5. **\*\*Mode of Appeal:\*\*** The Court concluded that the filing of a Petition for Certiorari under Rule 65 as opposed to a Rule 45 appeal was incorrect. However, owing to substantive issues addressed, the wrong mode did not alter the Court of Appeals' directive.

**\*\*Doctrine:\*\***

Upon determining probable cause, authorities are not to weigh evidence as if determining guilt beyond a reasonable doubt but to ascertain the probability of crime existence and responsibility.

**\*\*Class Notes:\*\***

- Elements of Estafa under Art. 315, RPC: Deceit, fraud, abuse of confidence, and resultant damage.
- Probable Cause: Not absolute certainty; allows inferential rational belief.
- Rule 65 Certiorari vs. Rule 45 Appeal: Certiorari challenges jurisdictional excess by lower courts; Rule 45 confers appellate jurisdiction to review conclusions.

**\*\*Historical Background:\*\***

In enterprises such as banking where internal controls are rigorous, cases of employee deceit involving large sums are significant both financially and reputationally. The judiciary's interest is to protect economic functions while ensuring rights are upheld

acceding principles of justice, particularly fraud deterrents.