

## SECOND DIVISION

**[ G.R. No. 131086, December 14, 2001 ]**

**BPI EXPRESS CARD CORPORATION, PETITIONER, VS. EDDIE C. OLALIA, RESPONDENT.**

### DECISION

**QUISUMBING, J.:**

This petition for review seeks to annul the decision<sup>[1]</sup> of the Court of Appeals in CA-G.R. CV No. 49618, reversing the order<sup>[2]</sup> of the Regional Trial Court, Branch 145, of Makati City which held Eddie C. Olalia liable to BPI Express Card Corporation (BECC) in the amount of P136, 290.97. The CA found only the amount of P13,883.27 to be due and owing to BECC. Petitioner's motion for reconsideration was denied through a resolution,<sup>[3]</sup> also before us on review.

The factual antecedents of this case are as follows:

Petitioner operates a credit card system under the name of BPI Express Card Corporation (BECC) through which it extends credit accommodations to its cardholders for the purchase of goods and other services from member establishments of petitioner to be reimbursed later on by the cardholder upon proper billing.

Respondent Eddie C. Olalia applied<sup>[4]</sup> for and was granted membership and credit accommodation with BECC. BECC Card No. 020100-3-00-0281667 was issued in his name with a credit limit of P5,000.

In January 1991, Olalia's card expired and a renewal card was issued. BECC also issued Card No. 020100-2-01-0281667 in the name of Cristina G. Olalia, respondent's ex-wife. This second card was an extension of Olalia's credit card. BECC alleges that the extension card was delivered and received by Olalia at the same time as the renewal card. However, Olalia denies ever having applied for, much less receiving, the extension card.

As evidenced by charge slips presented and identified in court, it was found that the extension card in the name of Cristina G. Olalia was used for purchases made from March to April 1991, particularly in the province of Iloilo and the City of Bacolod. Total unpaid charges from the use of this card amounted to P101,844.54.

BECC sent a demand letter to Olalia, to which the latter denied liability saying that said purchases were not made under his own credit card and that he did not apply for nor receive the extension card in the name of his wife. He has likewise not used or allowed anybody in his family to receive or use the extension card. Moreover, his wife, from whom he was already divorced, left for the States in 1986 and has since resided there. In addition, neither he nor Cristina was in Bacolod or Iloilo at the time

the questioned purchases were made. She was dropped as defendant by the trial court, in an Order dated September 29, 1995.<sup>[5]</sup>

A case for collection was filed by BECC before the RTC but Olalia only admits responsibility for the amount of P13,883.27, representing purchases made under his own credit card. After trial on the merits, a decision was rendered as follows:

WHEREFORE, judgment is rendered ordering defendant Eddie C. Olalia to pay plaintiff the sum of Thirteen Thousand Eight Hundred Eighty-Three Pesos and Twenty-seven Centavos (P13, 883.27), Philippine Currency with interest thereon at the legal rate from June 18, 1991, until fully paid; and to pay the costs.

SO ORDERED.<sup>[6]</sup>

From the aforesaid decision, a Motion for Reconsideration was filed, alleging that Olalia should also be held liable for the purchases arising from the use of the extension card since he allegedly received the same, as evidenced by his signature appearing in the Renewal Card Acknowledgement Receipt<sup>[7]</sup> and by the express provision of paragraph 2 of the terms and conditions governing the use and issuance of a BPI Express Card, making the cardholder and his extension jointly and severally liable for all purchases and availments made through the use of the card.

On April 28, 1995, the Motion for Reconsideration was granted and an Order was issued, stating:

Defendant Eddie C. Olalia has not filed any reaction paper up to the present relative to plaintiff's MOTION FOR RECONSIDERATION dated December 20, 1994.

Finding the allegations in said motion to be meritorious, the same is hereby granted.

WHEREFORE, the dispositive portion of the decision dated November 25, 1994, is reconsidered and accordingly amended/corrected to read as follows:

WHEREFORE, judgment is rendered ordering defendant Eddie C. Olalia to pay plaintiff the sum of One Hundred Thirty Six Thousand Two Hundred Ninety Pesos and Ninety-seven Centavos (P136,290.97) Philippine Currency, as of October 27, 1991.

SO ORDERED.<sup>[8]</sup>

Olalia appealed to the Court of Appeals and was there sustained in a decision dated November 28, 1996. The CA ruled as follows:

THE FOREGOING CONSIDERED, the contested Decision, while affirmed, is hereby modified by limiting appellant's liability only to P13,883.27, but with interest at 3% per month in addition to penalty fee of 3% of the amount due every month, until full payment.<sup>[9]</sup>