

SECOND DIVISION

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

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

DECISION

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