

THIRTEENTH DIVISION

[C.A-G.R. CV NO. 99802, May 30, 2014]

**SPOUSES JOSIAH L. GO AND CAROLINA E. GO, PLAINTIFFS-
APPELLANTS, VS. METROPOLITAN BANK & TRUST CO.,
DEFENDANT-APPELLEE.**

D E C I S I O N

SALANDANAN-MANAHAN, J.:

On Ordinary Appeal^[1] is the 30 March 2012 Resolution^[2] of the Regional Trial Court, Branch 226, Quezon City (trial court) in Civil Case No. Q 10-68414 for Damages, the *fallo* of which reads:

"WHEREFORE, in view of the foregoing, the Motion for Partial Reconsideration filed by defendant Metropolitan Bank & Trust Co., thru counsel, is GRANTED; the Resolution dated June 24, 2011 is partly reconsidered. The Amended Complaint filed by plaintiffs on August 24, 2011 is stricken from the record.

The Complaint is hereby DISMISSED.

SO ORDERED."

The plaintiffs-appellants' Motion for Reconsideration^[3] was denied for lack of merit in the trial court's 17 October 2012 Order^[4].

The Facts

Civil Case No. Q 10-68414 is a **torts** complaint for Damages^[5] instituted by the Spouses Josiah L. Go and Carolina E. Go (collectively, the "plaintiffs-appellants") against Metropolitan Bank and Trust Co., ("defendant-appellee" for brevity) for its carelessness, negligence and imprudence in dishonoring a funded check without proper verification.

The facts are undisputed.

The plaintiffs-appellants are co-founders of the Josiah & Carolina Go Foundation, Inc. ("Foundation" for brevity). The foundation maintains an automatic savings to current transfer arrangement^[6] with the defendant-appellee's Timog Branch under Account No. 007-002-18543-8.

On 28 June 2010, the plaintiffs-appellants drew and issued Metrobank Check No. 0982254168 in favor of Trina Firmalo in the amount of P45,000.00 as donation to some children in the depressed areas in Romblon.^[7] However, on 16 August 2010, the payee informed the plaintiffs-appellants that their check was dishonored citing the notation, "signature differs" stamped on the instrument's face.^[8]

Josiah L. Go immediately called the attention of the defendant-appellee through Donna Crame (Operations Officer) and Ester T. Varquez (Branch Manager) in view of their failure to exercise due diligence in verifying the authenticity of the signature of the check. Acting on said complaint, the defendant-appellee advised the plaintiffs-appellants that, for expediency, the check may be presented again for payment. Thus, on 20 August 2010, the check was honored and paid.^[9]

In his 18 August 2010 Letter^[10], Josiah L. Go elevated his complaint to the defendant-appellant's President and CEO Arthur Ty. In its 19 August 2010 and 24 August 2010 Reply Letters^[11], the defendant-appellee, thru its Executive Vice President Fabian S. Dee, explained that besides the difference in signature, plaintiffs-appellants' account had been classified as dormant since May 2010. Thus, the check cannot be immediately honored unless confirmed in order to protect the customers' account.

The defendant-appellee further asserted that their failure to confirm the check is primarily due to the unavailability of the plaintiffs-appellants' contact information in its records. However, defendant-appellee admitted that there are other available records from which it can get the contact information needed to confirm the check considering that plaintiffs-appellants have another active account in the same branch.

In their 18 October 2010 Letter^[12], the plaintiffs-appellants, thru counsel, made a formal demand against the defendant-appellee 'to coordinate and discuss the possible arrangement for the final settlement of the issues.' In its 04 November 2010 Reply Letter, the defendant-appellee, thru its Senior Vice-President and General Counsel Arlene G. Lapuz-Ureta, reiterated that the dishonor of plaintiffs-appellants' check is in line with its fiduciary responsibility and in accordance with its standard practice which are in place for the protection of its clients and the funds in the bank.

Failing to reach settlement, the plaintiffs-appellants filed a Complaint for Damages before the trial court on 10 December 2010. On 01 February 2011, the defendant-appellee filed a Motion to Dismiss^[13] alleging that besides being non-compliant with the requirements in filing an initiatory pleading, the Complaint failed to state any cause of action considering that the spouses Go are not the real parties in interest and that the allegations in the Complaint are insufficient to warrant the award of moral and exemplary damages, and attorney's fees.

On 25 February 2011, the trial court received the plaintiffs-appellants' Opposition and Comment^[14] to the Motion to Dismiss. On 25 March 2011, the defendant-appellee filed its Reply^[15] thereto.

In its 24 June 2011 Resolution^[16], the trial court denied the Motion to Dismiss but required the plaintiffs-appellants to implead the real party in interest under pain of dismissal should they fail to comply. The defendant-appellee filed a Motion for Partial Reconsideration^[17] citing additional legal authorities to support their prayer for the outright dismissal of the Complaint. Pending action on said motion, the plaintiffs-appellants filed the Amended Complaint^[18] on 24 August 2011.

On 16 September 2011, plaintiffs-appellants filed their Opposition and Comment^[19] on the motion for partial reconsideration. On 10 October 2011, the defendant-

appellee filed its Reply^[20] while on 03 November 2011, the plaintiffs-appellants filed their Rejoinder^[21] thereto.

In its 30 March 2012 Resolution^[22], the Complaint was finally dismissed, the trial court saliently ruling thus:

"Here, the plaintiffs Spouses Go insists that they have a cause of action, in their own right, against the defendant bank, but they unfortunately failed to demonstrate an 'interest' or 'right' which may be enforced under the law, which only leads to the conclusion that the Complaint was not prosecuted in the name of a 'real party in interest' as required by the rules. It is only unfortunate that plaintiffs spouses Go failed to comply with basic procedural requirements. It must again be emphasized that these procedural requisites were promulgated to ensure fairness and orderly administration of justice. While the Court sometimes disregards the rules of procedure in the interest of justice, the present case does not merit such leniency. The requirement that a party must have 'real interest' in the case is essential in the administration of justice. (Omitted citation.)

WHEREFORE, in view of the foregoing, the Motion for Partial Reconsideration filed by defendant Metropolitan Bank & Trust Co., thru counsel, is **GRANTED**. The Resolution dated June 24, 2011 is partly reconsidered. The Amended Complaint filed by plaintiffs on August 24, 2011 is stricken off the record.

The Complaint is hereby **DISMISSED**.

SO ORDERED."

The plaintiffs-appellants' Motion for Reconsideration^[23], which the defendant-appellee duly opposed^[24], was denied in the trial court's 17 October 2012 Order^[25]. Hence, this appeal.

Assignment of Errors

I. THE TRIAL COURT ERRED IN ORDERING THE DISMISSAL OF THE CASE AFTER IT HAS PREVIOUSLY ORDERED FOR THE FILING OF THE AMENDED COMPLAINT;

II. THE TRIAL COURT ERRED IN FAILING TO CONSIDER THE PERSONAL RIGHTS OF PLAINTIFF SPOUSES IN INSTITUTING THE CASE AS THEY WERE THEMSELVES THE VICTIMS OF THE RECKLESSNESS, IMPRUDENCE AND NEGLIGENCE OF THE BANK.

Court Ruling

After going over the plaintiffs-appellants' arguments, it appears that the resolution of the instant appeal hinges on the determination of who the real parties in interest are in the Complaint instituted before the trial court.

We address the imputed errors in reverse order.

Determination of the Real Party in Interest

Despite the trial court's contrary finding, the plaintiffs-appellants insist that they are real parties in interest in the Complaint for Damages filed against the defendant-appellee.

Citing Sec. 2, Rule 3 of the 1997 Rules of Civil Procedure, they reasoned that they were impelled to institute the aforesaid complaint to protect/vindicate their "personal" interest as well as that of the Foundation from the embarrassments brought about by the dishonor of their fully funded check without due confirmation or verification of the authenticity of the signatures affixed therein.

The material allegations in the Complaint, under the heading **CAUSE OF ACTION**, is herein reproduced for scrutiny, to wit:

"3. That plaintiffs are clients/depositors of defendant bank in its Timog Branch under the account name JOSIAH & CAROLINA GO FOUNDATION, INC. where they were assigned with Account No. 007-002-18543-8 under the automatic saving to current transfer arrangement, where the checks issued shall be charged automatically against their savings account;

4. That on June 28, 2010, plaintiffs drew and issued Metrobank Check No. 0982254168 in favor of Trina Firmalo (who is the daughter of Romblon Governor Firmalo) in the amount of P45,000.00 as donation to some children in their depressed areas needing immediate assistance. x x x;

5. That considering the account maintained by plaintiff(s) is under the AUTOMATIC SAVINGS TO CURRENT TRANSFER ARRANGEMENT, the savings account of plaintiff(s) had sufficient funds to cover the payment of the check as shown on their passbook, x x x;

6. That sometime on August 16, 2010 or more than a month has passed when plaintiffs were surprised to receive a call from Trina Firmalo (x x x) and shamefully informed them that their check was DISHONORED for the reason 'SIGNATURE DIFFERS';

7. That without wasting any time, plaintiff JOSIAH immediately called the attention of defendant bank through DONNA CRAME (Operations Officer) and later with ESTER T. VARQUEZ (Branch Manager), and complained that the bank did not call either one of the plaintiffs to verify whether the checks were issued or not, or, at least inform them that the check they issued was dishonored by the bank;

8. That defendant's officer ESTER T. VARQUEZ and DONNA CRAME treated the account of plaintiffs with indifference, discrimination and with gross negligence and total disregard of the standards of regulations of banks to its clients/depositors as the account was relatively small. The defendant's bank officers claim that they do not know plaintiffs' contact details, but the account bears the name of plaintiffs who maintain an active savings account with the same branch and they have other active accounts in the same bank with other branches;

9. That upon calling the attention of the said bank officers of Timog Branch over the incident, they told plaintiff JOSIAH to just redeposit the