

SIXTH DIVISION

[CA-G.R. CV NO. 100633, May 26, 2014]

**BANK OF THE PHILIPPINE ISLANDS, PLAINTIFF-APPELLANT, V.
CYNTHIA L. REYES, DEFENDANT-APPELLEE.**

D E C I S I O N

BARZA, J.:

For the Court's consideration is an appeal from the decision^[1] rendered by the Regional Trial Court of Makati City, Branch 61 dated February 28, 2013, in an action for sum of money docketed as **Civil Case No. 10-090**.

Records show that appellee Cynthia L. Reyes is a BPI credit card holder with Customer No. 020100-900-7498116. Being a client of appellant Bank of the Philippine Islands (BPI), she availed of the credit accommodation extended by the bank. Appellee regularly paid the amounts stated in her Statements of Account (SOA) but in January 2009 she was remiss in paying the same. Then in a letter^[2] dated April 7, 2009, BPI made a final demand on appellee of the amount of Php504,879.27 representing her outstanding balance as of March 8, 2009. On May 7, 2009, appellee's SOA^[3] reflected the amount of Php555,229.91 as her outstanding balance as of statement date. Without the obligation having been settled, BPI filed with the trial court the instant complaint^[4] for sum of money against appellee praying that the trial court order appellee to settle the amount of Php555,229.91 plus finance charge of 3.25% and late payment charge of 6% per month computed from June 7, 2009 until full payment of the obligation. BPI also pleaded for attorney's fees equivalent to 25% of the total obligation, the amount of appearance fees for every court hearing of the instant case and costs of suit.

In her answer^[5] to the complaint, appellee stated that while she admits that her outstanding credit card obligation amounted to Php555,229.91 in her SOA, she denies that such amount reflected her true liability. Based on her summary computation^[6] of her credit card liabilities, her outstanding obligation amounted to only Php47,086.92. She posited that the amount that BPI came up with included the monthly finance and late payment charges of 3.25% and 6%, respectively, which she argued were exorbitant, iniquitous and unconscionable and therefore the stipulation for such interest rates is void. She also contended that she did not accept the interest charges and were not made fully known to her by BPI at the time when she availed of the credit accommodation.

On February 28, 2013, the trial court issued the appealed judgment. The trial court held that while it is ruling in favor of BPI, it found the interest charges imposed on appellee's outstanding obligation excessive, exorbitant, iniquitous and unconscionable. Hence, the trial court reduced the monthly 3.25% finance charge and monthly 6% late payment charge to a monthly 1% for each interest rate, or a

total of 2% per month or 24% per annum. The trial court thus disposed the case as follows:

"WHEREFORE, premises duly considered, the instant 'Complaint' of the herein plaintiff Bank of the Philippine Islands (BPI) is hereby only **PARTLY** given **DUE COURSE**.

Accordingly, the herein defendant Cynthia L. Reyes (Ms. Reyes) is hereby **DIRECTED** to **PAY** the herein plaintiff Bank of the Philippine Islands (BPI) the following, to wit:

1. The sum of Forty Seven Thousand Eighty Seven Pesos and Ninety-Two Centavos (P47,807.92) (sic), plus interest and penalty charge of two percent (2%) per month from 07 April 2009, the date when BPI extrajudicially demanded the payment of the obligation, until full payment;
2. The amount of Ten Thousand Pesos (P10,000.00) as and for attorney's fees; and
3. The costs of suit.

SO ORDERED."

BPI thus filed the instant appeal before the Court raising the lone issue of the correctness of the amount of appellee's total outstanding obligation. BPI posits that appellee's outstanding obligation should be Php185,072.81 based on the last use of her credit card in September 2008. BPI prays that the Court modify the trial court's decision by ordering appellee to pay the following:

1. The sum of **ONE HUNDRED EIGHTY FIVE THOUSAND PESOS, SEVENTY TWO PESOS and EIGHTY ONE CENTAVOS (P185,072.81)**, plus interest and penalty charge of two percent (2%) per month from 07 April 2009, the date when BPI extrajudicially demanded the payment of the obligation, until full payment;
2. The amount of Ten Thousand Pesos (P10,000.00) as and for attorney's fees; and
3. The costs of suit.

Other reliefs just and equitable under the premises are likewise prayed for.

It is not for this Court to determine the exact and correct amount of appellee's principal obligation with appellant without the latter adducing any evidence to support the amount that it came up with. The amount of Php185,072.81 is a bare allegation. Appellant did not show how such sum was arrived at. The SOA^[7] dated October 7, 2008 (Annex "B" of appellant's brief) did not at all reflect the real amount of appellee's principal obligation. In fact, the computation of the principal obligation cannot be as simple as merely furnishing this Court a copy of the last SOA before appellee had been remiss in paying her amount due. Even appellant's witness, Marvin Misalucha, gave the following testimony^[8] during cross-examination: