

The Irony of Small Claims

*Armando E. Lagatao Jr. **

The Rule on Small Claims was designed to provide a simple, inexpensive, and speedy disposition of cases involving pure money claims. A system that will help the people especially those who are less in life. As the saying goes, “ Those who have less in life should have more in law. And in the implementation of the small claims rule, that saying become a reality. Truly, the rule on small claims is a breakthrough compared to any rule of procedure known and that can be found in the Rules of Court. The disposition of cases under the small claims rule is really fast. From filing of case to the rendition of judgment takes up only one to three months. In the end, the small claim rules helps in the decongestion of our courts.

Under the small claims rule, if a party intends to file a case, he or she needs only to provide the following documents:

- a. copy of demand letter (favorably sent thru registered mail)
- b. Certificate to File Action
- c. Simumpaang Salaysay (Notarized)
- d. Evidence or any proof to support the claim

Next is to fill-out a ready-made statement of claim and pay a filing fee of more or less Php 2, 725 and it is done. Just need to wait for the hearing of the case more or less one month from the date of filing . During the hearing, the judge who handles the case has the discretion to reset the hearing to pave way for an amicable settlement at instance of the parties and if none, a Decision will be issued. Literally, it’s a one day hearing and the best part of it, the decision is final and executory and unappealable.

Due to the positive feedbacks the Supreme Court is getting from the different courts, the Supreme Court provided for some changes. The following are the notable changes:

- a. increase in the jurisdictional amount from Php 100,000.00 to Php 200,000.00, exclusive of interests and costs.(Section 2 of the Revised Rules on Small Claims)
- b. exclusion of claims due to fault and/ or negligence and inclusion of only liquidated damages arising from contract.(Section 5 b. of the Revised Rules on Small Claims)
- c. The inclusion of enforcement of barangay amicable settlement or an arbitration award. (Section 5 c. of the Revised Rules on Small Claims)
- d. The power of the trial court judges to determine

* Mr. Armando E. Lagatao Jr. is presently the clerk civil-in-charge of Metropolitan Trial Court Branch 80 of Muntinlupa City. He finished his law degree at the Manila Law College and teaches labor and constitutional laws at the Pamantasang Lungsod ng Marikina.

whether the case falls under the small claims or under rules (Section 11, last paragraph of the Revised Rules on Small Claims)

As much as the Supreme Court wanted to improve the Rule on Small Claims, after one year of implementation of said changes, some serious issues arose that need to be addressed before it becomes out of hand. These issues somehow counter the positive effects of the rule on small claims and ultimately defeat the very purpose of the rule of small claims. The following are the reasons:

- a. Due to the increase in the jurisdictional amount from Php 100,000.00 to Php 200,000.00, there is an increase in the number of cases filed in court. it attracts lending companies to file more cases in court thus, it does not help in decongesting our courts.
- b. Php 200,000.00 is not a small amount. A person having this amount of receivable can hire an attorney to pursue their claims, the Small claims rule should help those who have less in life and not these loan sharks and lending companies.
- c. Some argued that it is a one-time hearing, but they failed to recognize that in a court of calendar cases, 5-10 small cases in a hearing day is a big number. If these were all heard and later on submitted for decision, the judge needs to make a decision on those cases immediately. Noted also that there are still cases falling under the summary and/or regular procedure which is also calendared for that day. The may also argue further that decisions in small claims cases are pro-forma, but it is not always the case. Some cases have complicated set of facts and issues especially those involving claims up to Php 200,000.00. The judge needs to study the cases. Also In heavily docketed courts like in Muntinlupa City, the average number of small claims filed in Metropolitan Trial Court is 10-12 per week or 40-48 cases per month. This number is alright if you do not other cases, but reality bites, this number is really huge.
- d. The exclusion of claims due to fault and/ or negligence frustrates the ends of justice. As observed in reckless imprudence cases, the injured party usually are burdened with so many expenses and one way to ease those burdens is to have a system for them to file their claim in a simple and inexpensive. The exclusion results to the need of the injured party to hire lawyers to pursue their case which means, additional expenses.

Lets be real, not all Filipinos have insurance policy that may cover accidents and mishaps. Half of this nation is below the poverty line.

- e. The decision in small claims cases are final and executory and not appealable. We must admit that no matter how simple a case maybe, judges may commit mistakes, errors and the sad part of it, in small claims cases, when the court dimiss the case or renders judgment, technically it's a dead end. You're lucky if your case is dismissed without prejudice, it can be refiled, but what if the party has no money to refile again the case? What if the case is dismissed with prejudice, what if the defendant who loses the case due to a technicality? What should they do if appeal is not applicable. Under the Rules of Court, if appeal is not available as a remedy, the party may file a petition for certiorari under Rule 65. So is this the remedy the Supreme Court wants in order to have a speedy disposition of case? it is submitted that making a decision final and executory and making it not subject to appeal makes the disposition of cases fast and inexpensive but what about there has been an error committed by the trial court? Judges are still human, prone to errors, mistake. What is speedy disposition of cases if it will create injustice?

On final note, the rule on Small Claims is a good mechanism. But we need to realize that our judicial system is not a factory of cases where quantity is given importance. We should emphasize more on the quality so that there will be justice in our society. Again, Those who are less in life should have more in law. If we forgot this like what is happening now in the revised small claims rule. The irony comes in.