



Republic of the Philippines
NATIONAL PRIVACY COMMISSION

GJJ,

Complainant,

NPC 19-465

(Formerly CID Case
No. 19-G-465)

-versus-

For: Violation of the
Data Privacy Act of
2012

**CREDITABLE LENDING
CORPORATION (EASY PESO),**
Respondent.

X-----X

DECISION

AGUIRRE, D.P.C.;

Before this Commission is a Complaint filed by GJJ against Creditable Lending Corporation (Easy Peso) for an alleged violation of Republic Act No. 10173 or the Data Privacy Act of 2012 (DPA).

Facts

On 23 July 2019, GJJ, in her Complaints-Assisted Form, alleged that Easy Peso committed violations of the DPA.¹ She described that, “they are hacker, they are scammer, they violate the civil law (shaming/threatening) they are lending sharks, they are not registered in SEC/or any gov’t agency.”² She was made aware of Easy Peso’s acts involving her “personal data, contacts, social media, [and] phone data” through “friends/relatives” and, as a result, she felt “shamed and threatened.”³

On 20 August 2019, the parties were ordered to appear for discovery conference.⁴ GJJ, however, failed to appear.⁵ The discovery conference, therefore, was rescheduled to 26 September 2019.⁶

¹ Complaints-Assisted Form, 23 July 2019, at 3, *in* GJJ v. Creditable Lending Corporation, NPC Case No. 19-465 (NPC 2019).

² *Id.*

³ *Id.* at 5-6.

⁴ Order to Confer For Discovery, 23 July 2019, *in* GJJ v. Creditable Lending Corporation, NPC Case No. 19-465 (NPC 2019).

⁵ Attendance Sheet for Discovery Conference, 20 August 2019, *in* GJJ v. Creditable Lending Corporation, NPC Case No. 19-465 (NPC 2019).

⁶ Order, 20 August 2019, *in* GJJ v. Creditable Lending Corporation, NPC Case No. 19-465 (NPC 2019).

At the discovery conference, Easy Peso manifested that “the contents of the text messages sent to complainant and her phone book contacts; [and] the numbers of the senders” be produced to determine if the mobile numbers used were traceable to itself.⁷

On 07 October 2019, the Commission received an email from GJJ containing screenshots of text messages from Easy Peso that were allegedly sent to her contacts.⁸ It is comprised of five (5) screenshots, four (4) of which were sent to the number “09*****,” and another to a certain “NN.”⁹ The messages sent to “09*****” are all related to debt collection and, from the contents of the messages themselves, appear to have been sent to the mobile number of GJJ:¹⁰

[...]naman po ang iyong ginagawa. Dahil dito kami ay nagbibigay sa iyo ng huling paalala na bayaran mo ang iyong overdue, dahil kung hindi ay magsasampa kami ng small claim at amin ng kokontakin and iyong kompanyang pinagtrabahuhan na magresulta sa mas malaking alalahanin sa darating na araw. EASY-PESO LENDING CORPORATION.¹¹

Sa kabila ng aming patuloy na paalala sa iyo na bayaran ang iyong overdue, ay wala pa rin kaming natatanggap na anumang kabayaran sa iyong pagkaka utang. Kung paano namin pinapahalagahan ang aming relasyon sa iyo bilang aming kliyente ay kabaliktaran naman po ang iyong ginagawa. Dahil dito kami ay nagbibigay sa iyo ng huling paalala na bayaran mo ang iyong overdue, dahil kung hindi ay magsasampa kami ng small claim at amin ng kokontaking ang iyong kompanyang pinagtrabahuhan na magresulta sa mas malaking alalahanin sa darating na araw. EASY-PESO LENDING CORPORATION.¹²

Attention!!! Wala kaming nakikitang payment sa iyong Easypeso Lending account. Wala na din kaming magagawa kundi humingi ng tulong at iakyat sa iyong Barangay ang iyong kaso. Kayo din ang mahihirapan sa laki ng abala dahil lang sa hindi mo pagbabayad ng maayos. As a result, mahihirapan ka ng mag loan sa ibang Credit and Lending companies at possible na magka-record ka pa sa NBI. Contact us if you wish to clear your name. Easypeso Collection.¹³

⁷ Order, 26 September 2019, *in* GJJ v. Creditable Lending Corporation, NPC Case No. 19-465 (NPC 2019).

⁸ Bill of Particulars, 07 October 2019, at 1-5, *in* GJJ v. Creditable Lending Corporation, NPC Case No. 19-465 (NPC 2019).

⁹ *Id.*

¹⁰ Fact-Finding Report, 09 February 2022, at 6, *in* GJJ v. Creditable Lending Corporation, NPC Case No. 19-465 (NPC 2019).

¹¹ Bill of Particulars, 07 October 2019, at 1, *in* GJJ v. Creditable Lending Corporation, NPC Case No. 19-465 (NPC 2019).

¹² *Id.*

¹³ *Id.* at 1-3.

MAGANDANG GABI!! TAPOS NA ANG PALUGIT NA IBINIGAY SAYO NI EASY PESO! PANAHOON NA PARA KAMI NAMAN ANG GUMAWA NG HAKBANG PARA MAKABAYAD KAYO!!¹⁴

SA ANIM NA ARAW NA PAGSASAWALANGBAHALA NINYO SA INYONG PAGKAKAUTANG KAY EASY PESO! HIHINGE NA KAMI NG TULONG SA INYONG MGA KAKILALA UPANG KAYO AY MAKABAYAD! MARAMING SALAMAT PO!¹⁵

The screenshot of the message supposedly sent to a certain NN, which she forwarded to GJJ, states:

Good day! Kindly inform Ms. GJJ regarding her loan in EASYPESO to settle the account immediately. If she keeps on refusing to repay her obligation in the company we will file a civil case against her from [sic] running away from her loan. Thank you.¹⁶

As a response, GJJ told NN to block Easy Peso and stressed that she had done the same, stating, “*Pablock nyan ta. Nareport ko na yan. Hack phone ko na isa.*”¹⁷

On 15 October 2019, Easy Peso submitted its Responsive Comment.¹⁸ It alleged that according to its investigation, GJJ’s account has been overdue for one hundred forty-four (144) days.¹⁹ Hence, it argued that “what she have [sic] attached is what we think reasonable to collect the repayment. We are not tolerating any indecent moves of our employee collector/agent.”²⁰ More importantly, Easy Peso alleged that GJJ gave consent to access her contact lists:

It is also disclosed that we asked for two to five (2-5) character references in the event that we cannot contact her. Based on Republic Act No. 3765, otherwise known as Truth in Lending Act, the company observes the disclosure requirements as it being read by the clients/customers by **clicking “agree” prior to claiming the loan proceeds** at our accredited merchant partners branch of her choice. As it is operated online, systems generated loan [a]greement is provided, copy attached herein [...]. The said procedures will best answer her queries as **she allowed us to**

¹⁴ *Id.* at 4.

¹⁵ *Id.* at 5.

¹⁶ *Id.* at 2.

¹⁷ Bill of Particulars, 07 October 2019, at 2, *in* GJJ v. Creditable Lending Corporation, NPC Case No. 19-465 (NPC 2019).

¹⁸ Answer to Complaint, 15 October 2019, *in* GJJ v. Creditable Lending Corporation, NPC Case No. 19-465 (NPC 2019).

¹⁹ *Id.*

²⁰ *Id.*

access her contact lists. The complainant is advised to review the said procedures to help her clarify her complaint, as **we cannot access her contacts without her permission.**²¹

Lastly, Easy Peso interposed that, “[h]ad she reached our customer service mobile number at 09***** which is known to her, we should had [sic] addressed her problem without involving your good office[.]”²²

On 15 November 2021, the Commission mandated the responsible officers of Easy Peso to file a Verified Comment within fifteen (15) calendar days from receipt of the Order.²³

On 03 December 2021, Easy Peso, in its Reply with Motion to Dismiss, argued that the Complaint should be dismissed on the following grounds:

1. The Complainant, failed to establish the proof of authenticity of the evidence during the conference.
2. That it is against Respondent company’s policy to establish any other person other than those that the complainant consented to.
3. That there is insufficient information to substantiate the allegations in the complaint, and that evidence showing that the Respondent did contact all in her contact list, other than those voluntary provided, should have been presented.
4. That a condition precedent for filing the claim has not been complied with.
5. That the National Privacy Commission’s [C]ircular no. 16-04 Rules of Procedure of the National Privacy Commission Rule II, sec. 4 a, b, and c, states in pertinent parts that:
 - a. the complainant has informed in writing, the personal information controller or concerned entity of the privacy violation or personal data breach to allow the appropriate action on the same;

. . .

The National Privacy Commission may waive any or all the requirements of this Section, as [sic] its discretion upon good cause shown, or if the complainant involves a serious violation or breach of the Data Privacy Act, taking into account the risk or harm to the affected data subject.

²¹ *Id.* Emphasis supplied.

²² *Id.*

²³ Order to Comment, 15 November 2021, *in* GJJ v. Creditable Lending Corporation, NPC Case No. 19-465 (NPC 2019).

6. Additionally, complainant failed to provide supporting documents that show the violation of Data Privacy Act or related issuances; or the acts or omissions allegedly committed by the respondent amounting to a privacy violation or personal data breach as stated in the circular no. 16-04 Rules of Procedure of the National Privacy Commission Rule !! [sic] Section 10.
7. The Complainant has not communicated to us prior to filing of this complaint.

...

9. The respondent has no data on file, beginning last quarter of 2020, the company has decided to temporary stop the operations due to severe losses and condoned all the debts outstanding on all clients.²⁴

Issues

- I. Whether the case should be dismissed on procedural grounds for GJJ's failure to give Easy Peso an opportunity to address the Complaint; and
- II. Whether Easy Peso committed a violation of the Data Privacy Act that warrants recommendation for prosecution.

Discussion

- I. The case should not be dismissed outright despite GJJ's failure to afford Easy Peso the opportunity to address the Complaint.**

Easy Peso alleged that GJJ did not provide it with an opportunity to address her Complaint.²⁵ As a result, it argued that the Commission should dismiss the case pursuant to Rule II, Section 4 of NPC Circular No. 16-04 (Rules of Procedure),²⁶ which provides that:

Section 4. Exhaustion of remedies - No complaint shall be entertained unless:

²⁴ Reply with Motion to Dismiss, 03 December 2021, *in* GJJ v. Creditable Lending Corporation, NPC Case No. 19-465 (NPC 2019).

²⁵ Answer to Complaint, 15 October 2019, *in* GJJ v. Creditable Lending Corporation, NPC Case No. 19-465 (NPC 2019).

²⁶ Reply with Motion to Dismiss, 03 December 2021, *in* GJJ v. Creditable Lending Corporation, NPC Case No. 19-465 (NPC 2019).

- a. The complainant has informed, in writing, the personal information controller or concerned entity of the privacy violation or personal data breach appropriate action on the same[.]²⁷

The same section, however, gives the Commission the discretion to waive any conditions precedent enumerated therein:

Section 4. Exhaustion of remedies –

...

The National Privacy Commission may waive any or all of the requirements of this Section, at its discretion, upon good cause shown, or if the complaint involves a serious violation or breach of the Data Privacy Act, taking into account the risk of harm to the affected data subject.²⁸

In this case, the Complaint contains allegations regarding Easy Peso's purported unauthorized processing of GJJ's personal data,²⁹ through the sending of unwarranted texts that disclose details of her unpaid loan obligation to members of her contact list. The allegations, assuming they are true, directly contravene specific portions of the DPA and its related laws. Further, it exposes the data subject herein, as well as other data subjects whose personal information is processed by Easy Peso, to a real risk of serious harm. These allegations, therefore, serve as sufficient basis to give the Complaint due course and not dismiss it on its face.

II. Easy Peso did not commit a violation of the DPA that warrants a recommendation for prosecution.

A. GJJ did not overcome the burden of proof necessary to shift the burden of evidence to Easy Peso.

In administrative proceedings, such as this case, it is the complainant who carries the burden of proving her allegations in the complaint with substantial evidence or such "relevant evidence that a reasonable mind might accept as adequate to support a conclusion."³⁰

²⁷ National Privacy Commission, Rules on Procedure of the National Privacy Commission, Circular No. 04, Series of 2016 [NPC Circular No. 16-04], § 4 (a) (15 December 2016).

²⁸ *Id.* Emphasis supplied.

²⁹ Complaints-Assisted Form, 23 July 2019, at 5, *in* GJJ v. Creditable Lending Corporation, NPC Case No. 19-465 (NPC 2019).

³⁰ Office of the Ombudsman v. Loving F. Fetalvero, Jr., G.R. No. 211450 (2018).

Section 1, Rule 131 of the 2019 Amendments to the Revised Rules on Evidence distinguishes between burden of proof and burden of evidence:

Section 1. *Burden of proof and burden of evidence.* - Burden of proof is the duty of a party to present evidence on the facts in issue necessary to establish his or her claim or defense by the amount of evidence required by law. **Burden of proof never shifts.**

Burden of evidence is the duty of a party to present evidence sufficient to establish or rebut a fact in issue to establish a *prima facie* case. **Burden of evidence may shift** from one party to the other in the course of the proceedings, depending on the exigencies of the case.³¹

Thus, it is the party who alleges a fact that has the burden of proving it. Allegations alone do not constitute evidence since “self-serving assertion[s] cannot be given credence.”³²

Accordingly, the screenshots used by GJJ to substantiate her claims are insufficient. She alleges that she learned of the incident from her “friends/relatives,”³³ and alluded to certain messages sent by Easy Peso to her contacts. She did not, however, provide copies of these alleged messages. Nor did she submit any form of supporting evidence, such as affidavits from her friends and relatives, attesting to the fact that they received messages from Easy Peso. Instead, GJJ only provided four (4) screenshots containing text messages sent to a number that, based on the contents of the messages themselves, is seemingly hers.³⁴

She also attached the screenshot of a message supposedly forwarded to her by NN without showing the actual message supposedly received by NN from Easy Peso. She merely submitted these screenshots without the slightest explanation of the surrounding circumstances. GJJ also failed to categorically state that these people supposedly contacted are not included in the list of two (2) to five (5) character references she was supposedly required to provide Easy

³¹ 2019 AMENDMENT TO THE 1989 REVISED RULES ON EVIDENCE, A.M. No. 19-08-15-SC, Rule 131, §1 (1 May 2020). Emphasis supplied.

³² *Tze Sun Wong v. Kenny Wong*, G.R. No. 180364 (2014).

³³ Complaints-Assisted Form, 23 July 2019, at 5, *in* *GJJ v. Creditable Lending Corporation*, NPC Case No. 19-465 (NPC 2019).

³⁴ *See* Bill of Particulars, 07 October 2019, at 1 & 3-5, *in* *GJJ v. Creditable Lending Corporation*, NPC Case No. 19-465 (NPC 2019).

Peso in case she can no longer be reached such that the act of Easy Peso in contacting them already went beyond the consent she gave.³⁵

In effect, she was not able to create a *prima facie* case, since she did not (1) identify the recipients of the messages and have those recipients affirm that they actually received the messages; (2) disclose the mobile number that sent the messages; (3) and, as regards, “NN,” establish with certainty that NN actually received a message from Easy Peso.

GJJ failed to categorically show that the mobile number used to contact the recipients belongs to Easy Peso. Nor did she offer any other proof of the existence of messages supposedly sent by Easy Peso to third parties outside her nominated character references. She also failed to refute Easy Peso’s allegation that she nominated two (2) to five (5) character references.³⁶ By the same token, she was not able to establish that the recipients of the alleged messages were not her character references.

Aside from these unsubstantiated screenshots, the Commission stresses that the message NN sent to GJJ cannot be validated as coming from Easy Peso. It does not show from whom the message originated since it is a mere forwarded text. Essentially, she failed to show proof of the actual message allegedly sent by Easy Peso to “NN.”

The Rules on Electronic Evidence, which applies to administrative proceedings,³⁷ states that:

Section 1. Audio, video and similar evidence. – Audio, photographic and video evidence of events, acts or transactions shall be admissible provided is shall be shown, presented or displayed to the court and shall be **identified, explained or authenticated by the person who made the recording or by some other person competent to testify on the accuracy** thereof.

Section. 2. Ephemeral electronic communication. – Ephemeral electronic communications shall be proven by the testimony of a person who was a party to the same or has personal knowledge thereof. In the absence or unavailability of such witnesses, other competent evidence may be admitted.

³⁵See Answer to Complaint, 15 October 2019, in GJJ v. Creditable Lending Corporation, NPC Case No. 19-465 (NPC 2019).

³⁶ *Id.*

³⁷ RULES ON ELECTRONIC EVIDENCE, A.M. No. 01-7-01-SC, Rule 1, §2 (July 2001).

A **recording of the** telephone conversation or **ephemeral electronic communication shall be covered by the immediately preceding section.**³⁸

It further provides for the method of proof:

Section 1. Affidavit of evidence. – All matters relating to the admissibility and evidentiary weight of an electronic document may be **established by an affidavit** stating facts of direct personal knowledge of the affiant or based on authentic records. The affidavit must affirmatively show the competence of the affiant to testify on the matters contained therein.³⁹

Given the foregoing, it is clear that the submission of screenshots alone, without an affidavit authenticating and explaining its contents as well as the competence of the affiant to testify on such matters, does not pass the requirement of admissibility.

Moreover, the Supreme Court has held that “to satisfy the substantial evidence requirement for administrative cases, **hearsay evidence should necessarily be supplemented and corroborated by other evidence that are not hearsay.**”⁴⁰ Evidently, GJJ’s act of attaching the unsubstantiated screenshots in and of itself, without any supporting affidavits attesting to its contents, is not enough to discharge the burden of proof. To establish her claim, it is necessary for the friends and relatives who allegedly received messages from Easy Peso to give statements corroborating any screenshot she presents. Thus, even assuming that GJJ presented the actual message received by “NN,” it is still necessary that it be authenticated in an affidavit in order to be given evidentiary weight.

Therefore, absent any other supplementing evidence, the screenshots continue to be hearsay.

The Commission notes, however, that Easy Peso could have conveniently disclosed and presented GJJ’s alleged chosen character references which could have sufficiently established that the mobile numbers contacted were only those that were validly nominated.

³⁸ *Id.* Rule 11, §1-2 (July 2001). Emphasis supplied.

³⁹ *Id.* Rule 9, §1 (July 2001). Emphasis supplied.

⁴⁰ Re: Letter of Lucena Ofendo Reyes Alleging Illicit Activities Of A Certain Atty. Cajayon Involving Cases In The Court Of Appeals, Cagayan De Oro City, A.M. No. 16-12-03-CA (2017). Emphasis supplied.

Nevertheless, as previously discussed, the burden of evidence did not shift to it and the Commission cannot recommend the criminal prosecution of the responsible officers of Easy Peso based on the weakness of their defense.⁴¹

Ultimately, it is GJJ that bears the burden of proving the allegations in her Complaint with substantial evidence. Jurisprudence is settled that if she “fail[s] to show in a satisfactory manner the facts upon which [her] claims are based, the [respondent is] **not obliged** to prove [its] exception or defense.”⁴²

The Commission, therefore, is left without any basis to recommend Easy Peso for prosecution under the DPA considering it is bound to adjudicate based on the following:

Section 22. *Rendition of decision.* – The Decision of the Commission shall adjudicate the issues raised in the complaint **on the basis of all the evidence presented** and its own consideration of the law.⁴³

As such, the Commission finds that the evidence presented is insufficient to support the claims of GJJ that Easy Peso violated the DPA.

B. Easy Peso did not violate Section 25 of the DPA.

Section 25 of the DPA or Unauthorized Processing of Personal or Sensitive Personal Information is committed when the following requisites concur:

1. The perpetrator processed the information of the data subject;
2. The information processed was personal information or sensitive personal information; and
3. The processing was done without the consent of the data subject, or without being authorized under the DPA or any existing law.⁴⁴

Section 3 of the DPA defines personal information and processing as follows:

⁴¹ See *People of the Philippines v. Sangcajo, Jr.*, G.R. No. 229204 (2018).

⁴² Re: Letter of Lucena Ofendo Reyes Alleging Illicit Activities Of A Certain Atty. Cajayon Involving Cases In The Court Of Appeals, Cagayan De Oro City, A.M. No. 16-12-03-CA (2017). Emphasis supplied.

⁴³ NPC Circular No. 16-04, § 22 . Emphasis supplied.

⁴⁴ NPC 19-134, 10 December 2021, at 12 (NPC 2021) (unreported).

(g). Personal information refers to any information whether recorded in a material form or not, from which the identity of an individual is apparent or can be reasonably and directly ascertained by the entity holding the information, or when put together with other information would directly and certainly identify an individual.

...

(j) Processing refers to any operation or any set of operations performed upon personal information including, but not limited to, the collection, recording, organization, storage, updating or modification, retrieval, consultation, use, consolidation, blocking, erasure or destruction of data.⁴⁵

Given the foregoing, the first and second requisites are met. Easy Peso processed the personal information of GJJ, particularly her name and number, when it allegedly collected, stored, and sent text messages to the people in her contact list regarding her loan.

The third requisite, however, is absent.

Personal information may be processed when it is for a legitimate interest. Section 12(f) of the DPA provides:

Section. 12. *Criteria for Lawful Processing of Personal Information.* – The processing of personal information shall be permitted only if not otherwise prohibited by law, and when at least one of the following conditions exists:

...

(f) The processing is necessary for the purposes of the legitimate interests pursued by the personal information controller or by a third party or parties to whom the data is disclosed, except where such interests are overridden by fundamental rights and freedoms of the data subject which require protection under the Philippine Constitution.

⁴⁵ An Act Protecting Individual Personal Information in Information and Communications Systems in the Government and the Private Sector, Creating for this purpose a National Privacy Commission, and For Other Purposes [Data Privacy Act of 2012], Republic Act No. 10173 § 3 (g) & (j) (2012).

Here, Easy Peso alleged in its Responsive Comment that GJJ's account, which had an original term of only fourteen (14) days, was already one hundred forty-four (144) days overdue.⁴⁶ Moreover, it argued that it "asked for two to five (2-5) character references in the event that we cannot contact her."⁴⁷ GJJ did not refute these allegations. Additionally, her submitted screenshots show that she had blocked all the collection messages sent to her.⁴⁸

As previously discussed, Easy Peso requires its clients to click "Agree" before claiming the loan proceeds at accredited merchant partner branches.⁴⁹ With this, the Privacy Policy submitted by Easy Peso in its Responsive Comment explicitly states:

In order to assess your loan credit, we will obtain your following information for approval of your application or getting a higher loan amount and longer terms. We commit that the data will be saved and encrypted, and only be used for borrowing money from our platform

...

Communication information: **contacts, just in case you can't be reached for credit investigation for applying a loan or other situations.**⁵⁰

It is clear from Easy Peso's Privacy Policy that it may process a client's contacts if she cannot be reached or located. This fact was never refuted by GJJ.

The screenshots of the messages contain the "restore to messages," "add to whitelist," and "delete" options, which clearly demonstrate that GJJ has already blocked the number and messages from Easy Peso.⁵¹ She even instructed her NN to block the same and admitted that she has done so, claiming that, "[n]areport ko na yan."⁵² Furthermore, the screenshots reveal that she has not replied, even once, to Easy Peso's collection reminders.⁵³ Additionally, a perusal of

⁴⁶ Answer to Complaint, 15 October 2019, *in* GJJ v. Creditable Lending Corporation, NPC Case No. 19-465 (NPC 2019).

⁴⁷ *Id.*; See also Reply with Motion to Dismiss, 03 December 2021, Annex "A" at 1, 3-4, *in* GJJ v. Creditable Lending Corporation, NPC Case No. 19-465 (NPC 2019).

⁴⁸ Bill of Particulars, 07 October 2019, at 3-5, *in* GJJ v. Creditable Lending Corporation, NPC Case No. 19-465 (NPC 2019).

⁴⁹ Answer to Complaint, 15 October 2019, *in* GJJ v. Creditable Lending Corporation, NPC Case No. 19-465 (NPC 2019).

⁵⁰ Answer to Complaint, 15 October 2019, Annex "D", *in* GJJ v. Creditable Lending Corporation, NPC Case No. 19-465 (NPC 2019). Emphasis supplied.

⁵¹ Bill of Particulars, 07 October 2019, at 3-5, *in* GJJ v. Creditable Lending Corporation, NPC Case No. 19-465 (NPC 2019).

⁵² *Id.* at 2 Emphasis supplied.

⁵³ *Id.* at 1.

these same screenshots confirm that Easy Peso was merely following up on her outstanding loan obligation:

*[K]ami ay nagbibigay sa iyo ng huling paalala na bayaran mo ang iyong overdue [...]*⁵⁴

*Sa kabila ng aming patuloy na paalala sa iyo na bayaran ang iyong overdue [...]*⁵⁵

Kindly inform GJJ regarding her loan in EASYPESO to settle the account immediately.⁵⁶

The totality of GJJ's actions demonstrates that she is, in fact, avoiding Easy Peso. Given that the clause in the Privacy Policy states that it may use contacts when the client cannot be reached,⁵⁷ Easy Peso merely enforced the obligations stipulated in the contract it entered into with GJJ. Thus, it has a legitimate reason to undertake the processing of her contacts. A lending company has legitimate interests in collecting outstanding obligations due to it. Considering that GJJ failed to refute the defenses raised by Easy Peso despite being given the opportunity to do so, it can be said that Easy Peso's act of getting in touch with presumably valid character references that GJJ herself nominated is necessary for its legitimate interest.

Also, it should be taken into consideration that, during this time, NPC Circular No. 20-01 (Guidelines on the Processing of Personal Data for Loan-Related Transactions) stating that, "[a]ccess to contact details in whatever form, such as but not limited to phone contact list [...] and/or copying or otherwise saving these contacts for use in debt collection or to harass in any way the borrower or his/her contacts, are prohibited,"⁵⁸ had not yet taken effect. In the absence of the Circular, it cannot be said that Easy Peso's act of reaching out to GJJ's contacts is violative of the DPA. Easy Peso did not go beyond what it informed GJJ it would do since its actions merely executed what was purportedly in the Privacy Policy.

⁵⁴ *Id.*

⁵⁵ *Id.*

⁵⁶ *Id.* at 2.

⁵⁷ Answer to Complaint, 15 October 2019, Annex "D", in *GJJ v. Creditable Lending Corporation*, NPC Case No. 19-465 (NPC 2019).

⁵⁸ National Privacy Commission, Guidelines on the Processing of Personal Data for Loan-Related Transactions, Circular No. 01, Series of 2020 [NPC Circ. No. 20-01], § 3 (D)(4) (28 January 2021).

GJJ was not able to sufficiently establish that Easy Peso went beyond the terms disclosed to her when she availed herself of the loan. Consequently, absent the third requisite, it cannot be said that Easy Peso committed an act that would constitute unauthorized processing.

Jurisprudence reiterates that “contracts of adhesion are not invalid *per se*; they are not entirely prohibited. The one who adheres to the contract is in reality free to reject it entirely; if he adheres, he gives his consent.”⁵⁹ Thus, “a contract duly executed is the law between the parties, and they are obliged to comply fully and not selectively with its terms. A **contract of adhesion is no exception.**”⁶⁰

As regards contracts, the Supreme Court has also stressed that:

[I]t must be emphasized that a **party to a contract cannot deny its validity after enjoying its benefits** without outrage to one's sense of justice and fairness. Where parties have entered into a well-defined contractual relationship, it is imperative that they should honor and adhere to their rights and obligations as stated in their contracts because obligations arising from it have the force of law between the contracting parties and should be complied with in good faith.

As a rule, a court in such a case has no alternative but to enforce the contractual stipulations in the manner they have been agreed upon and written. **Courts, whether trial or appellate, generally have no power to relieve parties from obligations voluntarily assumed simply because their contract turned out to be disastrous or unwise investments.**⁶¹

Subject to the rights and obligations provided under the DPA, the Commission emphasizes that the DPA cannot be used to escape obligations validly and voluntarily entered into by the data subject. As such, Easy Peso did not commit unauthorized processing when it enforced its contractual obligations.

C. Given that no DPA violation exists, it is not necessary to discuss and establish participation or gross negligence of Easy Peso's officers.

⁵⁹ RCBC v. Court of Appeals, G.R. No. 133107 (1999).

⁶⁰ Avon Cosmetics, Inc. v. Luna, G.R. No. 153674 (2006). Emphasis supplied.

⁶¹ Development Bank of the Philippines. v. Court of Appeals, G.R. No. 13870 (2006). Emphasis supplied.

Easy Peso is incorporated and duly authorized by the Securities and Exchange Commission to operate as a lending company.⁶² As such, Section 34 of the DPA applies, which provides:

Section 34. *Extent of Liability.* – If the offender is a corporation, partnership or any juridical person, the penalty shall be imposed upon the responsible officers, as the case may be, **who participated in, or by their gross negligence**, allowed the commission of the crime.⁶³

In this case, however, there is no DPA violation that has been established. Hence, it is not necessary to discuss whether Easy Peso's officers participated in the violation or are grossly negligent.

Taking into account the totality of the foregoing reasons, the Commission cannot recommend the prosecution of Easy Peso.

WHEREFORE, premises considered, this Commission resolves that the case filed by GJJ against Creditable Lending Corporation (Easy Peso) is hereby **DISMISSED** for lack of substantial evidence.

This is without prejudice to the filing of appropriate civil, criminal, or administrative cases, if any, against Creditable Lending Corporation (Easy Peso) before any other forum or tribunal.

SO ORDERED.

City of Pasay, Philippines.
03 March 2022.

Sgd.
LEANDRO ANGELO Y. AGUIRRE
Deputy Privacy Commissioner

I CONCUR:

⁶² Certificate of Incorporation and Authority to Operate as a Lending Company, *in* GJJ v. Creditable Lending Corporation, NPC Case No. 19-465 (NPC 2019).

⁶³ Data Privacy Act of 2012, § 34 (2012). Emphasis supplied.

Sgd.
JOHN HENRY D. NAGA
Privacy Commissioner

Copy furnished:

GJJ
Complainant

CREDITABLE LENDING CORPORATION (EASY PESO)
Respondent

COMPLAINTS AND INVESTIGATION DIVISION
ENFORCEMENT DIVISION
GENERAL RECORDS UNIT
National Privacy Commission