

SEVENTH DIVISION

[CA-G.R. SP No. 128544, November 19, 2014]

**MARILOU ALBANO, PETITIONER, VS. EVELYN NIELSEN,
RESPONDENT.**

D E C I S I O N

LOPEZ, J.:

Whether unjust enrichment exists is the main issue in this appeal assailing the November 17, 2011 Decision of the Regional Trial Court.

The antecedents follow.

Sometime in February 2005, Marilou Albano offered to sell her house and lot for P1,200,000.00 to Evelyn Neilsen who gave P135,000.00 as initial payment.^[1] However, Evelyn withdrew from the transaction after discovering the mortgage over the property. She also demanded the return of the amount paid but to no avail. Thus, she filed an action for breach of contract with damages against Marilou before the Metropolitan Trial Court docketed as Civil Case No. 90504.^[2]

In her Answer, Marilou alleged that Evelyn was aware of the encumbrance from the start of the negotiation. Furthermore, the downpayment was deemed forfeited after Evelyn reneged on her obligation and intimated lack of interest to pursue the agreement. Lastly, Marilou claimed damages because the house and lot was sold to another person for a lower selling price just to save it from foreclosure.^[3]

On December 23, 2009,^[4] the MeTC ruled that there is no breach of contract because Marilou disclosed to Evelyn the existing encumbrance upon the property. Nonetheless, such issue was immaterial since the non-payment of the full purchase price rendered the contract ineffective. It prevented the obligation of the vendor to convey title from acquiring an obligatory force. Anent the partial payment, the MeTC ordered Marilou to return the amount of P135,000.00 absent any forfeiture clause in the contract. Otherwise, it would result to unjust enrichment on the part of the seller at the expense of the buyer. On appeal,^[5] the Regional Trial Court affirmed^[6] the findings of the MeTC. Unsuccessful^[7] at a reconsideration,^[8] Marilou filed this petition for review questioning the basis of both the RTC and the MeTC rulings on the return of downpayment.

Prefatorily, We stress that the fundamental doctrine of unjust enrichment is the transfer of value without just cause or consideration.^[9] It exists when a person unjustly retains a benefit to the loss of another, or when a person retains money or property of another against the fundamental principles of justice, equity and good conscience.^[10] It essentially contemplates payment when there is no duty to pay, and the person who receives the payment has no right to receive it.^[11]