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Business card misuse considered grounds for termination in court ruling

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Introduction

It is common practice for companies to provide business credit cards to certain employees who have managerial responsibilities and/or make frequent payments on behalf of the company in scope of their duties. It is also common for these companies to encounter situations where employees will use business credit cards for personal expenses either intentionally or by mistake. In cases where the employers suspect that an employee has used their business credit card for personal expenses on purpose, termination may come into consideration as the employer's confidence in the employee is fundamentally compromised.

The Court of Cassation has precedents that have directly deemed the use of business cards for personal expenses as just cause for termination on the grounds that such behavior breaches the principles of honesty and loyalty. Recently, the Third Civil Chamber of the Bursa Regional Court of Appeal followed the Court of Cassation's approach and rendered a parallel decision.⁽¹⁾

Facts

The Third Civil Chamber of the Bursa Regional Court of Appeal examined a re-instatement case where the defendant employer had terminated the plaintiff employee's employment contract upon detecting that he had used the business credit card for costly personal purchases such as jewellery and grocery shopping on different dates.

The plaintiff employee argued that he had been on sick leave and his father had used the business credit card by mistake. The defendant employer, on the other hand, claimed that this was not the first time he had used the business card for personal expenses.

Decision

The local court dismissed the employee's case, stating that using the business card assigned to him in costly personal purchases and more than once constituted abuse of the employer's trust. In this regard, the local court stated that the employer could not be expected to continue working with the employee and termination was based on just cause. The Third Civil Chamber of the Bursa Regional Court of Appeal upheld the local court's decision by deeming the employee's behavior in breach of the principle of loyalty.

Comment

Both the regional court's and the Court of Cassation's aforementioned approach tends to allow termination for cause in cases where an employee intentionally uses their business credit card for personal purchases. That said, it is recommended that employers provide written information to their employees regarding the corporate rules on not using business credit cards for personal expenses.

For further information on this topic please contact Beril Yayla Sapan or Kardelen Özden at Gün + Partners by telephone (+90 212 354 00 00) or email (beril.yayla@gun.av.tr or kardelen.ozden@gun.av.tr). The Gün + Partners website can be accessed at www.gun.av.tr.

Endnotes

(1) Third Civil Chamber of Bursa Regional Court of Appeal, 2022/1042 E, 2022/766 K Date: 22 April 2022.