

Investors' complaints against MFs up 40% to 17k in FY17

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TOP MUTUAL FUND houses received about 17,569 complaints from investors in 2016-17, a surge of 40% from the preceding fiscal, mainly due to increase in folio numbers.

These complaints pertain to data corrections in investor details and non-update of changes about address, PAN (Permanent Account Number) details and nomination, among others.

Industry experts believe that large number of complaints were received due to increase in folio base or investor accounts.

Besides, illegible data provided by investors as well as errors made by investors while filling up application forms helped in raising the number of grievances, they added.

As per Association of Mutual Funds of India (Amfi) data, the top five mutual fund houses — ICICI Prudential MF, HDFC MF, Reliance MF, Birla Sunlife MF and SBI MF — together received 17,569 investor grievances last fiscal compared with 12,579 complaints in 2015-16.

The folios — numbers designated to indi-

vidual investor accounts, though one investor can have multiple folios — grew to 2.72 crore from 2.23 crore during the same period.

Among the top fund houses, SBI MF saw the biggest rise in investor grievances last fiscal, with complaints growing four-fold to 6,924.

It was followed by Birla Sunlife MF, which saw complaints rising by 51% to 1,831 and ICICI Prudential MF witnessed an uptick of two per cent to 4,648.

However, HDFC MF witnessed 24% decline in the number of complaints at 2,857, while Reliance MF saw a drop of 10% to 1,309.

"Customer service and experience is the most important thing for us and we achieve this by strengthening processes and technological innovation," Reliance MF CEO Sun-deep Sikka said on reduction in number of complaints.

"Hence a better investor experience at our 150 plus branches, web and mobile app platform led to smooth resolution to investor queries," he said.

Markets regulator Sebi first took note of the rising investor complaints in mutual funds in 2011 and hauled up fund houses for not taking serious note of the grievances.