Article

Effectiveness of Investors' Grievances Redressal in Capital Market of India: Evidence from SEBI's SCORES Mechanism

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Abstract

The rapid growth of the Indian capital market has culminated in increased investor engagement, leading to a growing volume of investor complaints and creating major hurdles to regulatory control. This study investigates the efficiency of the Securities Exchange Board of India's investor grievance redressal process, with a special emphasis on the SCORES portal in the post-financial crisis era. The objectives of the research are to assess the performance of the Securities and Exchange Board of India (SEBI) grievance redressal system and to identify trends in investor grievances received, settled, and pending from 2008–2009 to 2024–2025. A descriptive and analytical study design is used, with secondary data from SEBI's annual reports and official publications. To evaluate long-term patterns, the analysis uses trend analysis and compound annual growth rate (CAGR) approaches. The findings of the study reveal an ongoing rise in investor complaints, reflecting increased market awareness and engagement. Cumulative grievance redressal rates regularly surpassed 95%, while pending grievances declined sharply due to improved efficiency and digital platforms such as SCORES and SCORES 2.0. However, the actual annual redressal rate remains moderate because of carried-forward grievances. The study concluded that SEBI's grievance redressal process has significantly improved investor protection and market trust, highlighting the necessity of ongoing technology advancement and investor education to maintain regulatory efficacy.

Keywords

Indian capital market, investors' grievance redressal, investor protection, SCORES, SEBI

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Introduction

Securities and Exchange Board of India (SEBI) SCORES is an autonomous forum for evaluating the effectiveness of the redressal system for investor complaints they encounter when interacting with stock market brokers and authorized companies (Ajit et al., 2017). Investors may occasionally file complaints against companies that are listed or any intermediaries that they deal with on the stock exchange. If they are dissatisfied, they can file an appeal with SEBI scores.

In an effort to streamline the complaint registration process, SEBI has given SCORES the authority to handle the redressal process more swiftly and effectively. A centralized database for all grievances and online visibility of the complaints' progress and the actions made in response to them are SCORES' most important features. Until 2011, the only way to handle grievances was offline, which consumed a lot of time and resulted in very few complaints compared to the real situation. Additionally, investors were unable to find out the outcome of their complaints, which caused them to become dissatisfied and mistrustful.

What Is SCORES

SEBI provides a digital grievance redressal tool called "SCORES." Participants can file complaints about the securities market with SEBI-regulated firms such as listed corporations, authorized intermediaries, and regulatory institutions. Investors must first file their concerns with the entity involved, through its authorized individuals or officials who manage legal compliance and grievances of investors.

SCORES 2.0

SCORES was established in 2011 to support discontented investors whose complaints against listed businesses, registered intermediaries, or market infrastructure institutions have yet to be addressed. To improve the overall effectiveness of the grievance redressal procedure, SEBI introduced an improved version, SCORES 2.0 (SEBI, n.d.-a), with effect from April 1, 2024. This improvement shortened timescales, added automated routing of grievances to relevant institutions, and automatic escalation of accusations to SEBI for unsolved concerns. Furthermore, a two-level review mechanism has been established, making complaint resolution more effective.

Additionally, SEBI gets complaints via (CPGRAMS) Centralized Public Grievance Redress and Monitoring System of Department of Administrative Reforms and Public Grievances. These complaints can now be processed using SCORES 2.0 due to the integration of the CPGRAMS platform with SCORES 2.0

Characteristics of the SCORES 2.0 portal include:

- Improved complaint registration processes through seamless interaction with the KYC Verification Authority database (OTP-based PAN authentication). In addition, a method for manual registration filling is available, in which the investor's PAN is checked using Protean e-gov to ensure their legitimacy.

- The timescale for resolving investor concerns has been lowered to 21 calendar days universally across all SEBI-regulated intermediary organizations, listed firms, and MIIs.
- Complaints are automatically forwarded to the relevant SEBI-recognized intermediaries, listed firms, MIIs, or/and specified bodies, hence avoiding delays in grievance processing.
- Disputes are automatically transferred to the subsequent level if the specified deadlines are not met.
- Authorized bodies are intended to supervise the timely resolution of investor complaints made against the companies. In the event of an initial level review complaint, nominated bodies are expected to submit an action taken report (ATR) within 10 days of the complaint being received.
- If complainants are dissatisfied with the resolution, they have 15 days after submitting the ATR to request a review.
- SCORES 2.0 is available as a mobile app on the App Store at SEBI (2024a) and the Play Store at SEBI (2024b).
- For the investor's convenience, emails, SMS, and WhatsApp are used to send acknowledgments and further conversations.
- Investors have clear access to the audit record of the full complaint cycle.

Secure Portal and Market Intelligence Portal

On April 1, 2024, a web-based site called SECURE (SEBI, n.d.-b) was introduced to handle complaints regarding the freezing and unfreezing of accounts in accordance with orders from the Full Time Representatives of SEBI, judiciary and administrative bodies, or the expiration of debarment periods. Additionally, the Market Intelligence (MI) Portal (SEBI, n.d.-c) was created so that market players may provide information on market abuse, and it has been in use since May 2024. In 2024–2025, the MI portal received 356 inputs and notifications. Any related regulatory actions are posted on the SEBI website (Annual Report of SEBI 2024–2025).

Literature Review

The existing literature emphasizes the significance of regulatory frameworks and grievance redressal processes in protecting investors and preserving capital market confidence. Bose (2005) compared the Indian securities market's regulatory framework to the US capital market, highlighting the significance of well-defined rules and regulatory powers in combating market misconduct and offering an equitable opportunity to investors. Taneja and Sharma (2005) examined retail investors' understanding of grievance redressal procedures and investor education awareness programs, allowing investors to better defend themselves against fraudulent operations. Angela (2010) examined the procedure for resolving investor grievances in online trading using market facilitators, describing common investor complaints such as non-delivery of securities, settlement failures, and pricing disputes, and focusing on the importance of productive communication and timely enforcement by regulatory authorities. Pasha et al. (2012) examined SEBI's role in overseeing capital market infractions and found that a stable capital market necessitates effective surveillance instead of undue interference by government. Venugopal et al. (2012) investigated the issues faced by small investors and discovered that various safeguards exist; a lack of understanding about suitable grievance mechanisms remained a key concern. Ravi and Bhoopal (2017) found consistent improvements in grievance resolution rates, reflecting SEBI's established and specialized redressal mechanism. More recently, Vijayan and Prasad (2023) reported a significant decrease in unresolved issues and high investor contentment with the SCORES platform, which shows increased productivity, accessibility, and investors' confidence in the capital market of India.

Objectives of the Study

1. To assess the grievance redressal mechanism of SEBI SCORES in the capital market of India.
2. To study the trends of actual redressal of investors' grievances from 2008 to 2025.

Research Methodology

This study provides an analytical and descriptive analysis of the grievance redressal mechanism of SEBI's SCORES for resolving investors' grievances. The study used secondary data collected from annual reports of SEBI, that is, from 2008–2009 to 2024–2025, government publications, and other available sources about the actual redressal of investors' grievances in the securities market of India and the data is analyzed using tables in MS Excel. Descriptive and statistical tools, such as compound annual growth rate (CAGR), trend analysis, line and bar charts, were used to interpret the study.

Status of Investors' Grievances Received and Redressed by SEBI

SEBI requires suppliers and facilitators to implement processes that handle investor complaints. SEBI directs grievances to the appropriate intermediary. Intermediaries must report their handling of grievances to SEBI within 30 days of receiving them. Table 1 shows the trends in investor grievances received and redressed by SEBI throughout the years, and Table 2 shows the actual redressal rate of investors' grievances from 2008 to 2025.

Interpretation and Analysis of Data

According to Table 1, the pattern of investor complaints that SEBI received between 2008–2009 and 2024–2025 shows a distinct long-term upward trend, which is indicative of rising investor awareness and market involvement. The trend is illustrated in Figure 1. Grievances first fell rapidly from 57,580 in

Table 1. Grievances Redressal Rate on a Cumulative Basis.

Year	Grievances Received During the Year	Cumulative Grievances	Grievances Redressed During the Year	Cumulative Grievances Redressed	Grievances Pending	Redressal Percentage
2008–2009	57,580	2,674,560	75,989	2,503,560	49,113	93.6064
2009–2010	32,335	2,706,895	42,742	2,546,302	37,880	94.0673
2010–2011	56,670	2,763,565	66,552	2,612,854	28,653	94.5465
2011–2012	46,548	2,810,113	53,841	2,666,695	23,725	94.8964
2012–2013	42,411	2,852,524	54,852	2,721,547	11,410	95.4084
2013–2014	33,550	2,886,074	35,299	2,756,846	9,147	95.5224
2014–2015	38,442	2,924,516	35,090	2,791,936	5,736	95.4666
2015–2016	38,938	2,963,454	35,145	2,827,081	5,452	95.3982
2016–2017	40,000	3,003,454	49,301	2,876,382	4,476	95.7691
2017–2018	43,131	3,046,585	43,308	2,919,690	3,771	95.8348
2018–2019	42,202	3,088,787	42,576	2,962,266	3,094	95.9039
2019–2020	55,526	3,144,313	39,624	3,001,890	3,540	95.4705
2020–2021	58,873	3,203,186	50,425	3,052,315	5,171	95.29
2021–2022	42,694	3,245,880	48,883	3,101,198	2,364	95.5426
2022–2023	34,752	3,280,632	39,062	3,140,260	2,030	95.7212
2023–2024	44,599	3,325,231	43,191	3,183,451	3,425	95.7362
2024–2025	68,132	3,393,363	63,971	3,247,422	4,074	95.6992
CAGR	0.01697	0.02409	–0.0171	0.02636	–0.2204	0.00221

Source: Annual Reports of SEBI from 2008 to 2025.

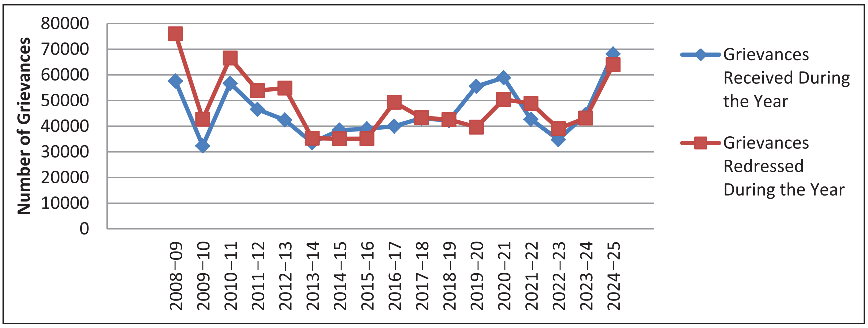

Figure 1. Trend of Grievances Received and Redressed from 2008 to 2025.

2008–2009 to 32,335 in 2009–2010, but they thereafter rose once again to 56,670 in 2010–2011, suggesting a resurgence of market activity. Between 2011–2012 (46,548) and 2013–2014 (33,550), a slow decrease was noticed, indicating better regulatory efficacy and compliance. After that, complaints grew slowly, reaching 43,131 in 2017–2018. During times of market volatility, they increased significantly, especially in 2019–2020 (55,526) and 2020–2021 (58,873). Despite temporary fluctuations in 2021–2022 and 2022–2023, complaints reached 68,132 in 2024–2025. In general, grievances resolved maintained up with inflows; SEBI resolved more complaints than it had in a number of years, including 2008–2009 and 2010–2011, which decreased the backlog. Institutional scalability was also demonstrated by high resolution levels in 2020–2021 (50,425) and 2024–2025 (63,971). The total number of grievances received grew from 26.75 to 33.93 lakh, while the total number of redressals increased from 25.04 to 32.47 lakh. Notably, the number of pending grievances dropped from 49,113 to 4,074, a decrease of more than 91%. The redressal rate peaked in 2018–2019 at 95.90%, continuously staying above 93% and above 95% in most years. The findings are further supported by CAGR analysis, which shows that pending grievances decreased by a noteworthy −22.04%, cumulative redressal increased by 2.64%, and grievances received increased by 1.69%. Overall, the analysis shows that SEBI's grievance redressal mechanism has been significantly strengthened, boosting investor trust and guaranteeing efficient protection in India's capital market.

Interpretation and Analysis of Actual Redressal Rate of Grievances

Table 2 shows the actual redressal performance of investor grievances from 2008–2009 to 2024–2025. The trend in the actual redressal rate is presented in Figure 2. The data reveal that the number of grievances received during the year fluctuated significantly, growing from 57,580 in 2008–2009 to 68,132 in 2024–2025, indicating increased investor participation and knowledge. The number of outstanding grievances from prior years remained significant; however, it showed a little decline over time, indicating a progressive clearance of backlog cases. The total number of grievances addressed each year has remained high, with a range of 162,778 to 214,073 cases.

The overall number of complaints redressed annually varies, with greater resolution levels reported in years such as 2010–2011 (66,552), 2020–2021 (50,425), and 2024–2025 (63,971), illustrating SEBI's ability to speed up redressal during periods of significant intake. Despite these efforts, a considerable number of grievances went unaddressed each year, emphasizing the ongoing burden of carried-forward cases. The actual redressal rate fluctuated between 20% and 33%, with a bit higher effectiveness recorded in 2008–2009, 2010–2011, and 2024–2025. The CAGR numbers show a positive growth in grievances received (1.69%) and a small improvement in the redressal rate (0.10%), while negative CAGR values for pending complaints indicate a slow but consistent drop in pendency. At the end, it shows that even though SEBI has improved its grievance redressal system over time, additional advancements are required to boost annual clearance efficiency and more consistently remove backlog cases.

Findings of the Study

- According to the study, investor grievance filing has consistently increased over time, showing increasing participation by investors and greater

Table 2. Actual Redressal Rate of Investor Grievances.

Year	Grievances Received in the Current Year (a)	Grievances Unresolved in the Previous Year (b)	Total Grievances (a + b = c) (c)	Grievances Redressed (d)	Grievances Unresolved (c – d = e) (e)	Redressal Rate (f = d/c) (f)
2008–2009	57,580	171,000	228,580	75,989	152,591	33.2439
2009–2010	32,335	160,593	192,928	42,742	150,186	22.1544
2010–2011	56,670	150,711	207,381	66,552	140,829	32.0917
2011–2012	46,548	143,418	189,966	53,841	136,125	28.3424
2012–2013	42,411	130,977	173,388	54,852	118,536	31.6354
2013–2014	33,550	129,228	162,778	35,299	127,479	21.6854
2014–2015	38,442	132,580	171,022	35,090	135,932	20.5178
2015–2016	38,938	136,373	175,311	35,145	140,166	20.0472
2016–2017	40,000	127,072	167,072	49,301	117,771	29.5088
2017–2018	43,131	126,895	170,026	43,308	126,718	25.4714
2018–2019	42,202	126,521	168,723	42,576	126,147	25.2343
2019–2020	55,526	142,423	197,949	39,624	158,325	20.0173
2020–2021	58,873	150,871	209,744	50,425	159,319	24.0412
2021–2022	42,694	144,682	187,376	48,883	138,493	26.0882
2022–2023	34,752	140,372	175,124	39,062	136,062	22.3053
2023–2024	44,599	141,780	186,379	43,191	143,188	23.1738
2024–2025	68,132	145,941	214,073	63,971	150,102	29.8828
CAGR	0.01697	–0.0157	–0.0065	–0.0171	–0.0016	–0.0106

Source: Annual Reports of SEBI from 2008 to 2025.

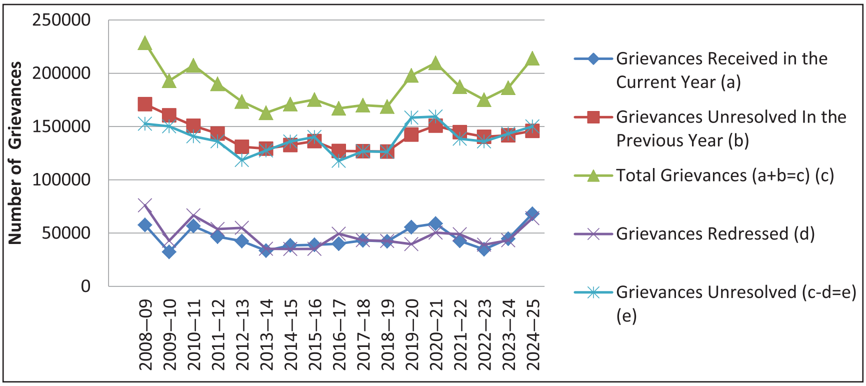

Figure 2. Trend of Actual Redressal Rate of Grievance from 2008 to 2025.

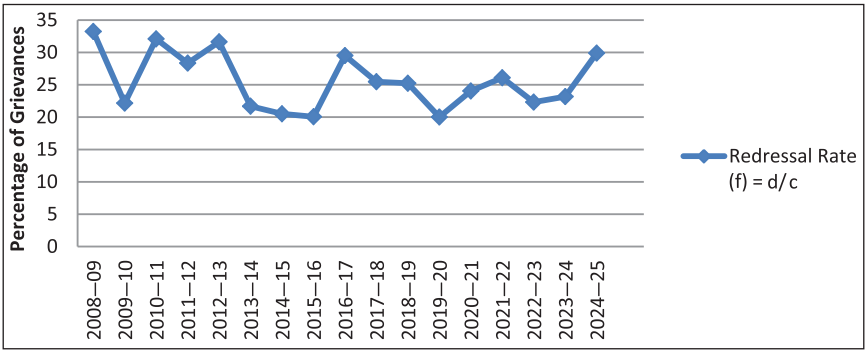

Figure 3. Percentage of Grievances Redressal Rate from 2008 to 2025.

understanding of SEBI's statutory grievance redressal channels. SEBI has constantly upgraded its grievance redressal mechanism, as evidenced by high cumulative redressal rates and a significant decrease in pending complaints over time. The year-wise percentage of grievance redressal rate is depicted in Figure 3.

- The emergence of technology-driven platforms like SCORES has increased honesty, responsibility, and accessibility for shareholders, allowing them to monitor complaint status in real time. An effective grievance redressal procedure lowers the danger of financial loss, boosts investor confidence in the securities market, and ensures regulatory protection.
- A strong grievance redressal system also improves market discipline by discouraging unethical behavior by businesses and middlemen. Wider engagement from ordinary investors is encouraged by the enhanced grievance resolution process, which also helps to increase market transparency and fairness.
- The number of complaints registered in the current year has risen steadily over the research period, from around 57,580 in 2008–2009 to 68,132 in 2024–2025, showing increased investor engagement and understanding of grievance redressal systems.
- Grievances unaddressed from the previous year fell steadily over the early years, showing higher disposal efficiency; nevertheless, minor oscillations were noticed during periods of increased market activity, particularly between 2019–2020 and 2021–2022.
- The total grievances (current year + carried forward) remained largely consistent in the range of 1.6–2.1 lakh cases, indicating SEBI's ability to handle increasing complaint intakes without accumulating a systematic backlog.
- The pattern of grievances resolved during the year shows continuous progress, with redressal increasing significantly after 2016–2017 and reaching around 2020–2021, reflecting the ability of institutions and procedural reforms. Despite periodic rises in overall grievances, the number of grievances outstanding at the end of the year follows a consistent trend, indicating good follow-up and supervision by SEBI.

- The difference between total complaints and grievances resolved narrows over time, showing increased effectiveness of grievance resolution processes such as SCORES and greater intermediary accountability. Periodic declines in redressal performance occur with phases of market stress and increased investor complaints, but the framework demonstrates resilience and recovers in succeeding years.

Conclusion

The SEBI has greatly improved investor protection by implementing an effective grievance redressal system. An analysis of complaint files from 2008–2009 to 2024–2025 reveals a consistent growth in investor awareness and participation. SEBI has reduced the number of ongoing cases while maintaining a cumulative redressal rate above 95%. Using technologically advanced systems such as SCORES and SCORES 2.0 has increased grievance management efficiency and transparency. Despite a moderate annual redressal rate due to pending litigation, SEBI's initiatives have boosted investor confidence and contributed to the stability of the capital market of India.

Limitations of the Study

- Since the study solely relies on secondary data, it might not accurately represent current or real-world problems that investors experience.
- It lacks original data from surveys and interviews, which restricts our ability to comprehend the genuine experiences and contentment of investors.

Declaration of Conflicting Interests

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