## **European Commission - Press release**





# Commission and national authorities urge SHEIN to respect EU consumer protection laws

Brussels, 26 May 2025

Today, following a coordinated investigation at European level, the <u>Consumer Protection Cooperation</u> (<u>CPC</u>) <u>Network</u> of national consumer authorities and the European Commission notified the online marketplace and e-retailer SHEIN of a number of practices on its platform that infringe EU consumer law. The CPC Network directed SHEIN to bring those practices in line with EU consumer laws. SHEIN remains under investigation and was requested to provide further information to the CPC Network.

The CPC Network's action against SHEIN is led by the competent national authorities of Belgium, France, Ireland and The Netherlands, under the coordination of the European Commission.

## Key elements of the CPC Network's coordinated action

The investigation covers a broad range of practices with which consumers are confronted while shopping on SHEIN and that are in breach of EU law, including:

- **Fake discounts:** pretending to offer better deals by showing price reductions that are not based on the actual 'prior prices'.
- **Pressure selling:** putting consumers under pressure to complete purchases using tactics like false purchase deadlines.
- **Missing, incorrect and misleading information:** displaying incomplete and incorrect information about consumers' legal rights to return goods and receive refunds and failing to process returns and refunds in accordance with consumers' relevant rights.
- **Deceptive product labels:** using product labels that suggest that the product offers something special when in fact the relevant feature is required by law.
- **Misleading sustainability claims**: Providing false or deceptive information about the sustainability benefits of its products.
- Hidden contact details: Consumers cannot easily contact SHEIN for questions or complaints.

In addition, the CPC Network requested information from SHEIN to assess its compliance with further obligations under EU consumer law, such as the obligation to ensure that product rankings, reviews, and ratings are not presented to consumers in a misleading manner. The Network is also investigating whether SHEIN informs consumers about how the obligations under the contract are shared between a third-party seller and SHEIN (where applicable) and that consumer rights do not apply to the contract in cases where the third-party seller is not a trader.

This enforcement action is complementary to the ongoing Digital Services Act (DSA) inquiry conducted by the Commission. Both actions aim at ensuring a safe and trustworthy online environment where the rights of consumers in Europe are fully protected.

#### **Next Steps**

SHEIN now has one month to reply to the CPC Network's findings and propose commitments on how they will address the identified consumer law issues. Depending on SHEIN's reply, the CPC Network may enter a dialogue with the company. If SHEIN fails to address the concerns raised by the CPC Network, national authorities can take enforcement measures to ensure compliance. This includes the possibility to impose fines based on SHEIN's annual turnover in the EU Member States concerned.

### **Background**

The Commission published a Communication on a Comprehensive EU Toolbox for Safe and

<u>Sustainable E-commerce</u> on 5 February 2025. The Communication outlines how challenges posed by e-commerce imports can be addressed at each stage of the product's life cycle. Joint enforcement actions by the CPC Network and their close coordination, in particular, with the Commission's enforcement response under the DSA, are an integral and essential element of that approach.

Additionally, the <u>General Product Safety Regulation</u> (GPSR) requires that for all consumer products there is an economic operator established in the EU to ensure compliance with product safety requirements.

Under the <u>Consumer Protection Cooperation (CPC)</u> Regulation, the national consumer authorities of the 27 EU Member States, Norway and Iceland form together the CPC Network to investigate and enforce EU consumer protection laws against cross-border infringements. The European Commission facilitates, and under certain circumstances also coordinates, such joint investigation and enforcement actions. The consumer law obligations that the CPC Network is invoking vis-à-vis SHEIN can be found in the <u>Unfair Commercial Practices Directive</u>, the <u>Consumer Rights Directive</u>, the <u>Price Indication Directive</u> and the <u>e-Commerce Directive</u>.

SHEIN was <u>designated as a Very Large Online Platform</u> (VLOP) on <u>26 April 2024</u> under the Digital Services Act (DSA). Four months from its designation, SHEIN had to comply with the most stringent obligations applicable to VLOPs. These include the obligation to duly assess and mitigate any systemic risks stemming from its services. The Commission is currently carrying out DSA inquiries regarding SHEIN that concern, *inter alia*, the presence of illegal content and goods on SHEIN's marketplace, the transparency of its recommender systems, and measures to mitigate risks relating to consumer protection, public health and users' wellbeing.

The CPC Network's coordinated action against SHEIN is without prejudice to ongoing proceedings by national authorities. National proceedings into SHEIN's commercial practices have been announced by the <u>Italian Competition Authority</u>. Similarly, the coordinated action is without prejudice to investigations and proceedings that the European Commission has initiated under the DSA or may decide to initiate in the future. Furthermore, the coordinated action does not preclude any ongoing or future enforcement actions by market surveillance authorities under product safety laws.

The CPC Network's investigation is supported also by statistical information from <u>European Consumer</u> <u>Centres</u> on the most frequent issues in consumer complaints against SHEIN.

#### For More Information

Consumer Protection Cooperation (CPC) Network

Coordinated actions of the CPC Network

**Consumer Protection Cooperation Regulation** 

IP/25/1331

#### Quote(s):

"I welcome this coordinated action with consumer authorities - complementary to the Commission's ongoing request for information sent to SHEIN under the Digital Services Act. In line with the Commission's recent Communication on E-commerce, the action demonstrates our resolve to deliver a coordinated and effective enforcement response when e-commerce platforms and e-retailers don't respect our laws. We come together to keep consumers safe and the e-commerce sector competitive."

Henna Virkkunen, Executive Vice-President for Tech Sovereignty, Security and Democracy - 26/05/2025

"All companies reaching out to EU consumers must play by our rules. Today's action sends a clear message: we will not shy away from holding e-commerce platforms to account, regardless of where they are based. EU consumer protection laws are not optional—they must be applied in all cases. I strongly welcome the decisive action taken by the CPC Network. It's now for SHEIN to step up, respect the rules and bring its practices fully in line with EU consumer standards."

Michael McGrath, Commissioner for Democracy, Justice, the Rule of Law and Consumer Protection - 26/05/2025

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