# EU regulators challenge Shein over fake discounts and misleading sales tactics



The Competition and Consumer Protection Commission (CCPC), alongside partners in Belgium, France, and the Netherlands, along with the European Commission, has raised significant concerns regarding the practices of online retailer Shein. These concerns suggest that the company may be in violation of EU consumer laws. Central to the allegations are fake discounts, coercive selling techniques, and unclear information relating to consumer rights.

Key issues that have surfaced through investigations include the practice of displaying non-existent previous prices to create the illusion of discounts. Such tactics mislead consumers and contravene EU regulations designed to ensure pricing transparency. In addition, Shein is accused of employing psychological pressure tactics, notably through the use of artificial deadlines that push consumers towards hasty purchases. This practice has raised alarm bells among consumer protection agencies, as it undermines the principle of informed decision-making.

Moreover, other troubling practices have been identified, including the omission of vital information regarding return policies and refunds. Consumers have reported difficulties in accessing this essential information, which is not only misleading but also potentially detrimental in cases where items need to be returned. Concerns also extend to product labeling, where descriptions may imply certain features that, under EU law, are mandatory and thereby misleading if marketed as unique. Misleading claims about the sustainability of products further complicate the landscape, as Shein has been noted for unsubstantiated environmental assertions regarding its offerings.

In response to these findings, Shein has been given a month to propose how it will rectify these issues. Patrick Kenny, a member of the CCPC, emphasised the importance of consumer rights, stating, “Consumers should be allowed to shop without being put under pressure by fake deadlines or misled by fake discounts." He stressed the necessity for online retailers to provide clear contact details, return procedures, and refund policies.

Should Shein neglect to address these concerns adequately, the implications could be severe. National authorities may launch thorough investigations, leading to fines that could be substantial, calculated as a percentage of Shein's annual turnover across the EU. The European Commission has previously highlighted the need for compliance, following a warning issued earlier this year concerning the sale of unsafe products on Shein and rival platforms like Temu.

The urgency surrounding this situation is underscored by Shein's ongoing plans to expand its market presence, including a potential share listing in London aimed at a £50bn valuation. As scrutiny intensifies on low-cost, high-volume e-commerce platforms, the EU's regulatory approach is becoming increasingly rigorous. Current rules are poised to evolve, with proposals being discussed that could include new fees for low-value imports and adjusting duty-free thresholds, reflecting a broader objective to enforce higher standards in online retailing.

In light of these developments, Shein's response will be critical not just for its business model but also for its future relationship with consumers and regulatory bodies across Europe. The company has stated its intent to comply with regulations and rectify the identified issues, though the effectiveness of its proposed solutions will ultimately determine the trajectory of its operations within these markets.

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

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2. <https://cadenaser.com/nacional/2025/05/26/nuevo-aviso-de-la-ue-a-shein-sus-descuentos-falsos-y-la-venta-bajo-presion-no-respetan-las-leyes-europeas-cadena-ser/> - The European Union has issued a warning to online retailer Shein, demanding the removal of various practices deemed illegal under EU legislation within a month. Identified issues include fake discounts, such as displaying non-existent previous prices; psychological pressure tactics like creating false scarcity; misleading product information; inaccurate labelling; false claims about sustainability; and hidden contact details, making it difficult for consumers to exercise their rights. This warning results from an investigation by the European Commission in collaboration with Belgium, France, Ireland, and the Netherlands within the Consumer Protection Cooperation Network. Shein has been requested to provide information on how it will address these concerns. ([cadenaser.com](https://cadenaser.com/nacional/2025/05/26/nuevo-aviso-de-la-ue-a-shein-sus-descuentos-falsos-y-la-venta-bajo-presion-no-respetan-las-leyes-europeas-cadena-ser/?utm_source=openai))
3. <https://www.huffingtonpost.es/economia/bruselas-acusa-shein-fraude-consumidores-anunciar-falsos-descuentos-presionarles-comprar.html> - The European Commission has formally accused online retailer Shein of consumer fraud after detecting multiple deceptive business practices. Among the irregularities are offering fake discounts, using pressure tactics like false deadlines to encourage purchases, and providing inaccurate information about return and refund rights. Brussels also highlights misleading product labelling, false claims about product durability, and the omission of necessary contact details for consumer complaints. The investigation, initiated in February in collaboration with authorities from France, Ireland, and the Netherlands, has given Shein a month to commit to correcting these issues. Failure to comply may result in economic sanctions proportionate to its business volume. ([huffingtonpost.es](https://www.huffingtonpost.es/economia/bruselas-acusa-shein-fraude-consumidores-anunciar-falsos-descuentos-presionarles-comprar.html?utm_source=openai))
4. <https://www.reuters.com/sustainability/boards-policy-regulation/eu-urges-retailer-shein-respect-laws-warns-fines-2025-05-26/> - The European Union has issued a warning to fast-fashion retailer Shein, urging the company to comply with EU consumer protection laws or face potential fines. The European Commission, along with the Consumer Protection Cooperation (CPC) network, notified Shein of business practices that violate EU laws. Shein has one month to respond and propose corrective measures. If the company fails to address the issues, national authorities may impose fines based on Shein’s annual turnover within the EU. The warning follows a February alert regarding the sale of unsafe products on Shein and fellow Chinese e-commerce platform Temu. Additionally, Shein may also face regulatory scrutiny under the EU's Digital Services Act. ([reuters.com](https://www.reuters.com/sustainability/boards-policy-regulation/eu-urges-retailer-shein-respect-laws-warns-fines-2025-05-26/?utm_source=openai))
5. <https://www.reuters.com/sustainability/eu-probe-against-shein-advances-violations-to-be-detailed-soon-bloomberg-reports-2025-05-23/> - The European Union is set to escalate its investigation into fast-fashion retailer Shein by issuing a formal statement detailing alleged violations of product safety and consumer laws. The investigation follows a February announcement that Shein and rival Temu could be held accountable for unsafe products sold through their platforms. If Shein fails to address these violations, it could face fines amounting to at least 4% of its annual EU sales. The move is part of broader EU efforts to regulate low-cost, high-volume e-commerce, including proposals to impose a €2.27 handling fee per low-value package and end duty-free treatment on consignments under €150 by 2028. ([reuters.com](https://www.reuters.com/sustainability/eu-probe-against-shein-advances-violations-be-detailed-soon-bloomberg-reports-2025-05-23/?utm_source=openai))
6. <https://www.ft.com/content/067ba5bb-4da3-42fc-a57b-9dd27a8f9255> - The European Union has initiated an investigation into Shein, a China-founded e-commerce platform, for potentially violating consumer protection laws by selling illegal products. The probe is examining misleading price reductions, unfair contract terms, and other unfair practices. Amid a broader crackdown on Chinese imports, the EU aims to hold platforms like Shein, Temu, and Amazon accountable for illegal products. This scrutiny coincides with Shein's plans to list its shares in London in 2025, targeting a £50bn valuation. Shein, which has already faced criticism for its supply chain practices, claims to support consumer safety and is cooperating with authorities. ([ft.com](https://www.ft.com/content/067ba5bb-4da3-42fc-a57b-9dd27a8f9255?utm_source=openai))