EUROPEAN UNION TARGETS SHEIN OVER CONSUMER LAW BREACHES: WHAT ONLINE SELLERS MUST LEARN FAST

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UK Policy and Regulatory Alert

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In late May 2025, the Consumer Protection Cooperation (CPC) Network and the European Commission (EC) concluded a joint investigation into online marketplace and e-retailer SHEIN. The result? A strong warning shot: Several of SHEIN's platform practices were found to breach EU consumer protection laws.

This alert breaks down the key violations and, more importantly, what e-retailers and online sellers in Europe need to take away, especially as EU enforcement heats up in this area.

KEY BREACHES IDENTIFIED BY THE CPC AND EC

Fake Discounts

SHEIN displayed price reductions not based on genuine prior prices—misleading shoppers about the real value.

Why It Matters

This practice is banned under both EU and UK law as a misleading commercial practice under the Unfair Commercial Practices Directive and the new Digital Markets, Competition and Consumers Act 2024, among other legislation. Most recently, the French competition authority fined SHEIN €40million for its deceptive discounting prices.

Best Practice

Discounts must reflect actual prior prices. The Omnibus Directive sets out specific rules, including the “30-day” rule discussed in our prior alert. So you must review your pricing strategies carefully.

Pressure Selling

The platform used fake deadlines to rush customers into buying.

Why It Matters

False urgency tactics are deemed aggressive commercial practices that distort consumer decision-making.

Best Practice

Only use deadlines if they are genuine and verifiable. Read more on urgency claims in our prior blog post.

Incomplete or Misleading Information

SHEIN failed to properly display customers' rights to returns, refunds and replacements.

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Why It Matters

Hiding or misrepresenting legal rights breaches the Unfair Commercial Practices Directive.

Best Practice

Be crystal clear and accurate about consumer rights—this builds trust and avoids penalties.

Deceptive Product Labels

Some product labels implied certain features were added benefits when, in fact, they were legally required.

Why It Matters

You cannot mislead consumers about a product's core features.

Best Practice

Stick to the facts—do not spin compliance as a selling point.

Misleading Sustainability Claims

SHEIN made green claims without backing them up.

Why It Matters

The European Union is cracking down hard on greenwashing, despite (at the date of this writing) there being some uncertainty about the future of the proposed new legislation.

Best Practice

Ensure all environmental claims are based on evidence and verifiable.

Hidden Contact Details

Consumers could not easily find ways to get support or make complaints.

Why It Matters

Under EU law, sellers must provide clear, direct and effective contact options, including an email address.

Best Practice

Make it easy for customers to reach you—this is both a legal and brand trust issue.

WHAT HAPPENS NEXT?

SHEIN was given one month to propose corrective actions. Depending on the response, the CPC Network may open a formal dialogue. Separately, SHEIN is also under scrutiny via the Digital Services Act, aimed at increasing platform transparency and accountability.

WHAT THIS MEANS FOR YOUR BUSINESS

This case is a wake-up call for any business selling online in Europe. The European Union is no longer just setting rules—it is actively enforcing them, and global players are firmly in the crosshairs.

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The United Kingdom's Competition and Markets Authority is also ramping up enforcement in this area, with a sharp focus on the online retail practices above.

KEY TAKEAWAYS FOR E-TAILERS AND PLATFORMS

- Review all pricing, urgency and promotional claims for compliance.
- Double-check that your consumer rights information is complete and accurate.
- Be cautious with sustainability messaging—substantiation is key.
- Make sure customer support details are easy to find.

If a fast-growing giant like SHEIN can be caught, any business can. Take this moment to audit your customer journey before regulators do it for you.

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