



Ministry of Economic Development and Technology
Republic of Poland



Secretary of State
Jacek Tomczak

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SHEIN
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Dear Sirs,

in view of the fact that you, as the Shein sales platform (www.shein.com), offer services to Polish customers through the above-mentioned website and the "Shein" mobile application, we, as the Ministry of Development and Technology, request that you provide clarification on the services you offer to Polish consumers and customers. We are also addressing you concerning your compliance with the regulations in force in Poland regarding, among other things, the Policy of informing consumers about prices and terms of transactions through e-commerce portals. At the same time, we would like to point out that if the aforementioned platforms fail to comply with the regulations in force in Poland and the European Union, we will be forced to take far-reaching measures to protect Polish consumers from irregularities. As a result, in the most extreme case, your failure to guarantee an adequate level of protection for our domestic consumers will result in preventing you from offering your services in our market.

Currently, both at the level of implementation of EU regulations into our national law, as well as at the level of domestic legal regulations, a whole series of legislative work is being carried out with the aim of increasing the level of legal protection of Polish consumers. This work is being carried out by the Ministry of Development and Technology, among others. In the absence of full cooperation with national regulators on the part of digital platforms offering services to Polish consumers, and in the event that the risk of violating the rights of Polish customers continues to exist, we will be forced to introduce changes in the regulations preventing such platforms from offering services to Polish consumers, though, for example, so-called geoblocking.

According to Gemius Mediapanel data, by January 2024, the Shein app and www.shein.com portal were expected to reach more than 6 million real users in Poland, which would place these platforms among the top marketplaces used by Polish consumers. Meanwhile, according to information obtained by the Ministry of Development and Technology and the analysis carried out on its basis, the practices of the Shein platform provider may constitute a multi-level violation of national as well as EU regulations in the field of, among other things, consumer protection. The information was forwarded by the Ministry to the President of the Office of Competition and Consumer Protection [UOKIK], Poland's consumer protection regulatory body, for the institution to express its position.

Dear Sirs, in connection with the above, we request that you respond to the following allegations and information.

Failure to comply with the "Omnibus Directive"¹.

Shein's sales platform offerings include price reductions. Price promotions are presented in several places on the site, both at the listing and product card stages. The Company's method of presenting price reductions does not comply with current regulations, according to which, when reporting a price reduction, the lowest price of a good or service that was in effect during the 30 days prior to the introduction of the reduction must be made visible. Throughout the Shein site, the Company does not make such a price visible, which means that it presents price reductions in a way that is contrary to Polish law.

Misleading product ratings.

Shein does not provide users with information on whether product reviews visible on the site come from consumers who have actually purchased the product, and how the verification of reviews is carried out. It is also unclear how reviews are counted (e.g., whether all reviews count toward the average - even a cursory calculation shows that the average product rating is not the average of all reviews). In practice, therefore, the opinions and rankings presented by Shein may mislead consumers, especially given the portal's formal product rating rules. Consumers are not given adequate information to judge whether such opinions can be trusted.

Unsubstantiated environmental claims: "greenwashing."

The company presents messages on the platform regarding the environmental friendliness of the products sold through it, such as: "This innovative material is made from recycled fibres, saving natural resources and supporting a cleaner planet!", "Our evoluSHEIN by Design initiative promotes fashions made from more sustainable materials and using responsible manufacturing practices.". The sample communications indicated above may constitute an unfair market practice for failing to provide reliable information to support claims relating to environmental aspects.

There is no information about whether the seller is an entrepreneur, about the division of responsibilities between the platform and the seller, and no phone number or email address for the seller.

Despite the obligations expressed in the regulations resulting from the implementation of the Omnibus Directive, the provider of the Shein trading platform does not inform the consumer about whether the third party offering the goods is or is not a business entity and, consequently, whether the consumer protection regulations apply to their purchase, about the division of contractual obligations between the platform and the seller. Consumers may not know what Shein is responsible for and what the seller is responsible for, as well as the email address and phone number where consumers can quickly and efficiently contact the seller.

Unclear rules and inability to use coupons.

The Shein sales platform offers discounts in the form of coupons, but the consumer has no information for which "selected" products such coupons can be redeemed. Trying to use a

¹ The European Parliament and of the Council Directive 2019/2161 of November 27, 2019 amending Council Directive 93/13/EEC and Directives 98/6/EC, 2005/29/EC and 2011/83/EU of the European Parliament and of the Council with regard to better enforcement and modernisation of EU consumer protection rules (Text with EEA relevance), Official Journal of the EU, L. 328/7.

coupon with the right price threshold turns out to be impossible. At the same time, the platform still does not inform which products this coupon should be active for. In addition, Shein encourages the use of a coupon that does not apply to the items purchased.

Dear Sirs,

In connection with the above, we request that you provide a comprehensive explanation of the above issues regarding the services offered through the Shein mobile application and portal www.shein.com to Polish consumers. In particular, we expect explanations regarding the compliance of the services you offer with the provisions of the so-called Omnibus Directive, the GDPR Regulation² and the following Polish normative acts: the Law on Consumer Rights³, the Law on Provision of Electronic Services⁴, and the Telecommunications Law⁵. In addition, please also provide clarification on your policy against offering products on your platform that infringe on industrial property rights and intellectual property rights.

Poland is open to cooperation with e-commerce service providers from all over the world. However, we expect all providers offering services to Polish consumers to fully comply with Poland's legal regulations. The Ministry's analysis of your operating model has revealed a wide range of potential violations, so we expect you to bring your operating model in line with the laws in force in Poland.

At the same time, we would like to express our expectation that, as a platform offering services to Polish consumers, you will establish a Polish representative office, which, in addition to providing Polish customers with proper legal and technical services, will be an appropriate institution for Polish regulatory and legislative bodies to contact. We also expect you to implement solutions to enable Polish consumers and other stakeholders to effectively report offers that violate industrial property rights and intellectual property rights, as well as product safety. We would also like to point out that all of the above-mentioned issues are currently the subject of public debate in Poland, which will result in changes to the law imposing obligations on foreign e-commerce platforms aimed at increasing the level of protection of Polish consumers and the competitiveness of Polish entrepreneurs. In addition, we would like to remind you that you are obliged to take care of your obligation, to pay the appropriate taxes (in particular, value-added tax) on transactions concluded through you. As the Ministry of Development and Technology, we are open to dialogue on this issue with all stakeholders, especially those who are willing to cooperate with Polish public authorities.

Kindest regards

Jacek Tomczak

Sekretarz Stanu

/ kwalifikowany podpis elektroniczny /

² Regulation 2016/679 on the protection of individuals with regard to the processing of personal data and on the free movement of such data and repealing Directive 95/46/EC (General Data Protection Regulation), Official Journal of the EU L. 119/1.

³ Act of May 30, 2014 on consumer rights, Journal of Laws 2023, item 2759.

⁴ Act of July 18, 2002 on the provision of services by electronic means, Journal of Laws of 2020, item 344.

⁵ Act of July 16, 2004, Telecommunications Law, Journal of Laws 2024, item 34.