

# Shein Faces Class Action Over Influencer Posts

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A recent class action asks how it's possible that a Chinese company, with allegedly "no fashion designers or background, selling flea-market quality clothes, became a giant in the fast-fashion industry in the US?" The answer, according to the complaint, "is simple: undisclosed endorsements on social media." In this case, the plaintiffs allege that Shein engages influencers to promote its products without disclosing their relationships to the company.

Plaintiffs residing in three states allege that they purchased products from Shein as a result of endorsements from seven influencers on Instagram. According to the complaint, though, some of the influencers don't disclose their connection to the company at all. Other influencers do disclose their connection to the company, but do so in a long list of hashtags that are only visible if a consumer clicks on the "more" button on the posts.

The plaintiffs claim that they "would not have purchased the products if they knew that the Influencers were paid to pretend that they like Shein and endorse the brand." They also complain that they purchased the "products at artificially inflated prices, exclusively because of the way the Shein products are advertised on social media and the misleading content of the advertisement." Plaintiffs attempt to support this allegation by looking at what similar companies charge for similar products.

If you read our blog and this sounds familiar, that's probably because the fact pattern is similar to the one in a lawsuit against Celsius over its influencer campaign that [we discussed last week](#). In fact, although the two lawsuits were brought by two different firms, the language in key sections of the complaints is very similar. Like the Celsius complaint, this one also names the individual influencers as defendants, in addition to naming Shein itself.

There are at least two lessons to learn here. First, if you are a consumer purchasing products based on an influencer's recommendation, you may want to err on the side of assuming that the influencer is being paid. Second, if you are a company using influencers to promote your products, make sure your influencers disclose their connection to you in a way that complies with the FTC's Endorsement Guides. We expect to see more of these cases.