

S. Korea probes Temu over alleged false ads, unfair practices: Yonhap

April 8 2024



Temu is a hugely popular online shopping app, available in dozens of countries.

South Korean regulators are investigating the hugely popular Chinese shopping app Temu on suspicion of false advertising and unfair practices, the Yonhap news agency reported Monday.

With sometimes astonishingly low prices and a huge variety of items, Temu has enjoyed rapid growth in dozens of countries since it was launched in 2022 by Chinese e-commerce giant PDD Holdings.

It is also under increased scrutiny in the United States, Europe and elsewhere over its [business practices](#), advertising and handling of user data.

South Korea's Fair Trade Commission (FTC) recently started looking into Temu to determine if it was violating e-commerce and advertising regulations, Yonhap said, citing unnamed government and industry officials.

The FTC is also probing if Temu is in line with consumer protection rules, Yonhap added, citing complaints about [product quality](#) and other issues.

AFP has contacted Temu for comment.

An FTC spokesperson said they could not comment on specific cases, when asked by AFP if the commission was investigating Temu.

The South Korean probe report follows similar concerns voiced by regulators and lawmakers in other parts of the world, especially over the firm's use of personal data.

Temu came under fire this year over a campaign in France and Britain that offered vouchers of up to 100 euros (\$110) for downloading the app and inviting another person to sign up.

The terms included granting the company the right to use [personal data](#) for life.

Temu stopped the offer last month because of "misunderstandings on the extent of client data use".

The head of South Korea's Personal Information Protection Commission told reporters this month that the body is looking into how Temu and Alibaba's AliExpress have been collecting and using people's data, according to Yonhap.

PDD Holdings operates a similarly successful domestic shopping platform for China called Pinduoduo.

A major competitor to industry titan Alibaba, PDD Holdings said last month that its [net profit](#) almost doubled in 2023.

Temu, along with fast-fashion behemoth Shein, have challenged Amazon with their surging growth in the United States.

Both have been accused in the United States of avoiding taxes and undercutting American businesses by abusing a rule that allows the duty-free import of items in shipments that do not exceed \$800 in value.

© 2024 AFP

Citation: S. Korea probes Temu over alleged false ads, unfair practices: Yonhap (2024, April 8) retrieved 2 May 2024 from <https://techxplore.com/news/2024-04-korea-probes-temu-alleged-false.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.