

Consumer groups accuse Temu of manipulating online shoppers

May 16 2024



Chinese shopping app Temu has on average around 75 million monthly active users in the EU.

European consumer groups on Thursday accused Chinese shopping app Temu of using "manipulative techniques" to make users spend more and



other violations of a landmark EU tech law.

One of the fastest-growing apps, Temu only entered the EU market in April 2023 and says it has on average around 75 million monthly active users in the 27-country bloc.

Europe's BEUC umbrella consumer rights group filed a complaint with the European Commission while 17 member organizations in Europe including in France, Germany and Spain have done the same with national authorities.

The groups accuse Temu of "failing to protect consumers and for using manipulative practices which are illegal"—known as "dark patterns"—and demanded an investigation.

They believe Temu is distorting or impairing consumers' ability to make "free and informed decisions" while shopping online, in violation of the EU's mammoth online content law known as the Digital Services Act (DSA).

Contacted by AFP, the company said it took the complaint "very seriously". It promised to "study it thoroughly" and to cooperate with the relevant stakeholders.

"Where we identify areas for improvement, we are eager to work together to enhance our service and to rectify any shortcomings," Temu said in a statement.

"We are committed to transparency and full compliance with all applicable laws and regulations."

Under the DSA, digital platforms must remove illegal content quickly, be more transparent about how they use users' data and ensure the safety



of shoppers online.

BEUC charged that Temu fails to provide enough information about traders on the platform, "frequently leaving consumers in the dark about who they are purchasing products from".

And there is not enough information about how its "opaque" recommendation system works, it added, despite transparency being mandatory under the DSA.

Under scrutiny elsewhere

Temu, owned by China's PDD Holdings, has already come under pressure in Europe.

German consumer groups warned Temu earlier this year about similar issues, which led to the platform announcing it would no longer display notices telling consumers to "Hurry up! Over 126 people have this item in their shopping cart".

It has faced fierce scrutiny elsewhere including in Asia and the United States.

South Korean regulators in April began investigating Temu on suspicion of false advertising and unfair practices.

The EU is expected to add Temu to its list of "very large" digital platforms under the DSA, which will force the company to comply with stricter rules, including providing regular information about how it is mitigating risks.

Brussels has already added Chinese-founded online retailer Shein to that list, which also includes AliExpress, Amazon, Facebook, Instagram and



YouTube among a total of 23 platforms.

© 2024 AFP

Citation: Consumer groups accuse Temu of manipulating online shoppers (2024, May 16) retrieved 17 July 2024 from <u>https://techxplore.com/news/2024-05-consumer-groups-accuse-temu-online.html</u>

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.