

## **Asian-American Sephora Customers With Closed Accounts File Discrimination Lawsuit**

By Laura Northrup November 19, 2014



A few weeks ago, we shared with you the claims of some loyal Sephora customers who found that their accounts for placing online orders (and more importantly, for collecting rewards points) had been shut down. While Sephora claimed that account shutdowns were aimed at people buying large amounts of makeup to re-sell, customers complained that the only thing the company looked at was whether a given customer had a Chinese surname. Now customers living in the United States whose accounts were closed are filing a class action suit against the company.

The four lead plaintiffs in this lawsuit are women of Chinese descent and Sephora shoppers who live in New York, Ohio, and Pennyslvania. We know that the Sephora.com site crashed on November 6, the company later blamed the failure on "high levels of bulk buys for reselling purposes in North America and other countries."

What this lawsuit alleges is what many customers claimed in makeup forums and posts to Sephora's social media pages: that accounts targeted for shutdown were were under names or e-mail addresses that "appeared to signify Chinese/Asian race/ethnicity/national origin/descent regardless of the web domain used" and/or e-mail accounts on Asian-based sites such as qq.com, 126.com, or 163.com. Their complaint (PDF download) provides examples of customers other than the four named plaintiffs who had similar issues, and claims that whether a customer had an Asiansounding name was the *only* piece of criteria that Sephora used in deciding which accounts to deactivate during the site crash crisis.

The attorneys compare the account deactivations to recent high-profile "shop and frisk" cases in New York City department stores like <u>Macy's</u> and <u>Barneys</u>, which required both stores to promise not to assume that all people of color in their stores are criminals, train staff in how to do loss prevention work without blatant racial profiling, and to pay six-figure settlements to the state of New York. They open the complaint by saying:

Despite significant media coverage of so-called "shop and frisk" cases—where companies have been accused of discriminating against minority customers while shopping in retail stores—Sephora has brazenly taken this practice to the Internet.

One of the named plaintiffs shared an e-mail that she received from an account with the name "Gray markets" that explained that her account was one of many that was deactivated "in order to optimize product availability for the majority of our clients, as well as ensure that consumers are not subject to increased prices or products that are not being handled or stored properly." Well, nobody likes melted lipsticks. The e-mail from Sephora continued:

At this time, we are not reactivating any blocked accounts. Thank you for respecting our business decision.

In response, Sephora sent Ms. Chen the following email:

From: Gray Markets <IS5945\_63545@is.instantservice.com>
Subject: RE: Compliment or Complaint (#8748-450336826-8328)

Date: November 10, 2014 4:14:02 PM EST

To: [REDACTED]@126.com

Thank you for contacting us regarding your Sephora account.

Sephora is dedicated to providing an exciting and reliable shopping experience. Our website is incredibly robust and designed to withstand a tremendous amount of volume. What caused the recent disruption was a high level of bulk buys and automated accounts for reselling purposes from North America and multiple countries outside the US.

The reality is that in taking steps to restore website functionality, some of our loyal North American and international clients got blocked. We understand how frustrating it is and are deeply sorry for the disruption to your shopping experience.

After careful consideration, we have deactivated these accounts in order to optimize product availability for the majority of our clients, as well as ensure that consumers are not subject to increased prices or products that are not being handled or stored properly.

At this time, we are not reactivating any blocked accounts.

Thank you for respecting our business decision.

LaVena Sephora Client Services

The four Sephora customers and their attorneys seek to turn this case into a nationwide class action, and damages to punish Sephora for what they consider to be a violation of their civil rights.

We checked with Sephora whether they have any further comments on the allegations of ethnic profiling in account deactivations.