
Sephora discriminated against Asian customers, lawsuit claims

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By Daniel Wiessner

(Reuters) - Cosmetics retailer Sephora USA Inc has blocked the online accounts of scores of customers with Asian names because it suspected them of buying discount items in bulk to resell them, a new lawsuit claims.

The proposed class action was filed Tuesday in federal court in Manhattan by four U.S. women of Chinese descent who say their accounts were deactivated earlier this month because they have Asian surnames.

The suit stems from a Nov. 6 promotional sale that caused Sephora's website to crash. The company said at the time it resulted from large numbers of bulk shoppers looking to take advantage of the low prices so they could resell the items for a profit.

According to the lawsuit, only customers with Asian names or email addresses from Chinese domains were blocked from the site in the hours after it crashed. Thousands of shoppers may have been affected, the suit says.

In the days after the crash, the suit says, hundreds of Sephora shoppers with Asian surnames complained on Facebook about their inability to access their accounts. Some accused the company of blatant racism.

Sephora did not return a request for comment on Wednesday. Nor did its parent company, LVMH Moet Hennessy Louis Vuitton Inc, which is also listed as a defendant.

Sephora, which was founded in Paris in 1970, has 1,900 stores in 29 countries.

Macy's and Barneys this year settled suits accusing them of routinely suspecting minority customers of shoplifting, but Sephora may be the first to face claims of discriminatory Internet security measures by a retailer.

The four plaintiffs say they lost all of the reward points they accumulated buying hundreds of dollars of merchandise from Sephora. Two of them, Xiao Xiao and Tiantian Zou, live in New York City. The other two, Jiali Chen and Man Xu, are from Ohio and Philadelphia.

They are seeking unspecified damages and a court order barring the company from engaging in the alleged practice.

The case is Xiao Xiao v. Sephora USA Inc, U.S. District Court for the Southern District of New York, No. 14-cv-9181.

(Reporting by Daniel Wiessner; Editing by Ted Botha and Steve Orlofsky)

