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#Ad – Annoyance or Necessary? The Rising Risk of Undisclosed Influencer Deals

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On April 11, 2025, a class-action lawsuit was filed accusing online fashion retailer Revolve Group Inc. of violating the Florida Deceptive and Unfair Trade Practices Act, the Consumers Legal Remedies Act, the Unfair Competition Law, and consumer protection laws in more than 20 states. The lawsuit alleges that Revolve, working with a team of influencers, engaged in a scheme where influencers presented paid endorsements as genuine personal recommendations, without requisite disclosures identifying the influencers' content as paid.

The Federal Trade Commission (FTC) requires disclosures, such as "#ad" or "#partner", or the like, in connection with any content where the endorser received something of value from, or on behalf of, the brand. This includes payment, as well as free or gifted products. Anytime a content creator receives something of value to mention, post about, or depict a product, or if the content creator has a relationship with the brand that forms a basis for the content, a sponsored hashtag should be used.

In the past, lawsuits or actions related to failure to disclose paid content were rare, and usually targeted the biggest, most high profile influencers. The recent Revolve lawsuit reveals a change in the risk associated with an influencer program, and makes it more important for brands to actively monitor their influencer team to ensure all endorsements have appropriate disclosures. This is especially true when brands re-post user generated content for which creators have received payment, free product, or other forms of compensation.

We recommend that all clients engaged in an influencer or endorsement program, no matter how big or small, institute an internal procedure to review content creators' posts to ensure disclosures, and maintain records of ongoing compliance checks.

Understanding of and compliance with the FTC's guidelines is crucial for anyone engaged in using user generated content or working with an influencer backed marketing program. For questions or more information, contact Jessie or Kayla.



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