

Completed acquisitions by Medivet Group Limited of multiple independent veterinary businesses

CMA/11/23

Decision on relevant merger situation and substantial lessening of competition

Please note that [X] indicates figures or text which have been deleted or replaced in ranges at the request of the parties or third parties for reasons of commercial confidentiality.

SUMMARY

The Parties and the Mergers

1. These decisions relate to the completed purchases by Medivet Group Limited (**Medivet**) of the following independent veterinary businesses (the **Targets**) (the **Mergers**) between 27 September 2021 and 1 September 2022:
 - (a) All Creatures Clinic Limited (**All Creatures**);
 - (b) Barton Companion Animal Services Limited (**Barton**);
 - (c) I T Kalogera (Holdings) Limited, including its subsidiary I T Kalogera Limited (t/a Brockwell Vets) (**Brockwell Vets**);
 - (d) The assets and business of the veterinary practice under the name 'Caddy Veterinary Surgery/Practice' (**Caddy Country**);
 - (e) Canine Healthcare Limited (t/a Vet Value) (**Canine Healthcare**);
 - (f) E Street Limited (t/a Elizabeth Street Veterinary Clinic) (**Elizabeth Street**);
 - (g) Ferring Street Vets Limited (**Ferring Street**);
 - (h) Fitzalan House Veterinary Practice Limited (**Fitzalan House**);

- (i) The Hackney Vet Ltd (**The Hackney Vet**);
 - (j) The assets and business of the veterinary practice under the name The Hollies (**The Hollies**);
 - (k) The assets and business of the veterinary practice under the name Iffley Vets (**Iffley Vets**);
 - (l) The Oxford Cat Clinic Limited (**Oxford Cat Clinic**);
 - (m) The assets and businesses of the veterinary practices under the name The Vet on Richmond Hill & The Vet in St Margaret's (**The Vet on Richmond Hill & St Margaret's**);
 - (n) The Vet Station Limited (**The Vet Station**); and
 - (o) Withy Grove Veterinary Clinic Limited (**Withy Grove**).
2. Each of the Mergers is considered as a separate relevant merger situation.
3. Medivet is a large multinational veterinary group ultimately controlled by private equity firm CVC Capital Partners. Each of the Targets are independent veterinary practices located in areas across England and Northern Ireland. They all supply first opinion veterinary services to small animals and some supply out of hours (**OOH**) services to small animals. Medivet and the Targets are together referred to as the **Parties**.

CMA jurisdiction

4. The Competition and Markets Authority (**CMA**) has jurisdiction to review a merger where either (a) the target company generates more than £70 million of turnover in the UK (the turnover test); or (b) the merger results in the parties having a share of supply of goods or services of any description in the UK (or in a substantial part of the UK) of 25% or more, and the merger results in an increment to the share of supply (the share of supply test).
5. None of the Targets have sufficient revenue to satisfy the turnover test, but the CMA found that, in relation to each Merger, Medivet and the relevant Target supply more than 25% of Small Animal Services (as defined at paragraph 11 below) in the local areas where they overlap, and that an increment in the share of supply is brought about by the Merger in each instance.

6. Further, the CMA found that each of the relevant local areas constituted a substantial part of the UK. Consistent with recent CMA merger decisions, the CMA concluded that those local areas with a population above 100,000 people constitute a substantial part of the UK on this basis alone. Where the population of a relevant local area was below 100,000, in line with the relevant case law, the CMA considered whether the local area could nonetheless constitute a substantial part of the UK on the basis of factors including the social, political, economic and geographic significance of the area, and ultimately concluded in each case that the relevant local area also constituted a substantial part of the UK.
7. Finally, a completed merger must have taken place, with material facts being given to the CMA or made public, not more than four months before a reference is made. The CMA found that Medivet did not make the material facts of these Mergers public when it acquired each of the Targets. As such, the four-month period to refer the Mergers started only when the CMA became aware of material facts in September 2022 (and was extended due to Medivet's delay in responding to certain CMA requests for information).

Counterfactual

8. The CMA assesses whether a merger could lead to a substantial lessening of competition (**SLC**) relative to the competitive situation without the merger (the **counterfactual**).
9. The CMA considers the prevailing conditions of competition to be the relevant counterfactual for all but one of the Mergers. For The Hollies, the Target was closed about the same time as Medivet's acquisition and in light of compelling evidence regarding the former vendor's ability to continue operating the practice, and the lack of alternative possible purchasers, the CMA considers that the counterfactual for that Merger should be based on a scenario in which The Hollies would have closed absent the Merger.

Frame of reference

10. The CMA considered whether the Mergers would lead to a loss of competition between Medivet and the Targets in each of the local areas where they are based. To do so, the CMA considered how their services overlap, which meant focussing its analysis on the most significant competitive alternatives available to the customers of the Parties.

11. The CMA considered the impact of the Mergers in relation to small animal veterinary services provided on a commercial basis during daytime hours (**Small Animal Services**), and OOH veterinary services to small animals provided on a business to consumer basis (**Small Animal OOH Services**).

Competitive assessment

12. As competition between veterinary practices, including those operated by Medivet and each of the Targets, generally takes place at the local level, the CMA conducted a local area analysis to identify specific areas within which to analyse whether the relevant Mergers gave rise to a realistic prospect of an SLC.

Small Animal Services

13. The CMA assessed Medivet's acquisitions of each of the Targets in relation to the supply of Small Animal Services.
14. The CMA based its local analysis on average catchment areas for veterinary sites (reflecting where 80% of the relevant Parties' customers are located). The CMA calculated market shares in these catchment areas using the number of full-time equivalent (**FTE**) vets working at the sites in each catchment area. While there is no single measure that can capture every aspect of competition in a market, the CMA considers that the number of FTE vets providing Small Animal Services from a site is reflective of the level of demand at that site and its competitive strength.
15. Consistent with previous cases in the vet industry, the CMA considered that competition concerns would arise in any local area where Medivet and the relevant Target overlap and have a combined share of supply of 30% or more. The threshold chosen for determining whether competition concerns arise is a case-by-case assessment, taking into account all the facts and circumstances of a given case. In these cases, the CMA determined that a combined 30% share threshold is appropriate to identify areas in which there is a realistic prospect of an SLC arising. This reflects, in particular, the weak nature of out-of-market constraints (from other types of practices operating in the local area) in these cases, as well as the absence of probative evidence (for example from a consumer survey or previous CMA analysis of the sector) that has been used to support higher thresholds in previous cases in other industries.
16. On this basis, the CMA considers that in relation to Small Animal Services, there is a realistic prospect of an SLC in 34 local areas, arising from Medivet's 12 acquisitions of All Creatures, Barton, Brockwell Vets, Caddy Country, Elizabeth

Street, Ferring Street, Fitzalan House, The Hackney Vet, Iffley Vets, Oxford Cat Clinic, The Vet on Richmond Hill & St Margarets, and The Vet Station.

Small Animal OOH Services

17. The CMA assessed Medivet's acquisitions of Caddy Country, Elizabeth Street and Iffley Vets in relation to the supply of Small Animal OOH Services.
18. It was not possible for Medivet to provide specific data on drivetime catchment areas in relation to the provision of OOH services for all sites, particularly the Target sites. In light of the limited data available, the CMA used a filter (based on a combined share of 30%) to filter out from consideration any areas which did not raise competition concerns, and then conducted a more detailed assessment of any remaining areas of concern that failed this filter.
19. The CMA based its local analysis on catchment areas derived from both the average drivetime of Medivet's own OOH sites (for sites offering OOH services to more than just their own Small Animal Services customers), and the average catchment area used in the CMA's Small Animal Services analysis.
20. The CMA calculated market shares in each of these catchment areas using a share of sites. The CMA considered share of sites the most appropriate measure of market shares because reliable FTE data was not available, noting as well that the CMA did not identify significant FTE variation between sites.
21. Due to the high combined shares of supply in five local areas, and evidence indicating that alternative suppliers are unlikely to exert a sufficient constraint on Medivet and the relevant Targets, the CMA considers that in relation to Small Animal OOH Services, there is a realistic prospect of an SLC in five local areas, arising from Medivet's acquisitions of Elizabeth Street and Iffley Vets.

Conclusion

22. As set out above, the CMA considers that it is or may be the case that 12 of the Mergers have resulted, or may be expected to result, in a realistic prospect of an SLC, as a result of horizontal unilateral effects in relation to the supply of Small Animal Services and/or Small Animal OOH Services.
23. The CMA is therefore considering whether to accept undertakings under section 73 of the Enterprise Act 2002 (the **Act**). Medivet has until 25 May 2023 to offer undertakings to the CMA that might be accepted by the CMA. If no such

undertakings are offered, then the CMA will refer the Mergers pursuant to section 22(1) of the Act.

ASSESSMENT

MEDIVET

24. Medivet is a large multinational veterinary group, ultimately controlled by CVC Capital Partners, a private equity firm. Medivet operates over 400 branches of veterinary centres across the UK, including 24-hour centres. Medivet mainly supplies small animal veterinary services, including first opinion veterinary services, out-of-hours (**OOH**) and referral services.
25. Medivet's UK revenue for the year ended 30 April 2022 was £290 million.¹

THE TARGETS AND THE MERGERS

26. Medivet completed its acquisition of each of the Targets between September 2021 and September 2022 and each of the Targets are wholly owned subsidiaries of Medivet.² Two Targets (All Creatures and Oxford Cat Clinic) have branch partners.³
27. Each of the Targets are veterinary practices and supply Small Animal Services. Three of the Targets also supply or supplied Small Animal OOH Services. Specifically:
 - (a) All Creatures was acquired as a two-site practice located in Chelsfield and Locksbottom, both in Orpington. This transaction was a share purchase completed on 3 December 2021.
 - (b) Barton was acquired as a single-site practice located in Barton-Upon-Humber, South Humberside. This transaction was a share purchase completed on 1 March 2022.
 - (c) Brockwell Vets was acquired as a single-site practice located in Herne Hill, London. This transaction was a share purchase completed on 29 April 2022.
 - (d) The assets and business of Caddy Country were located in Randalstown, County Antrim in Northern Ireland. This site offered Small Animal Services, OOH services and standard veterinary services to farm and equine animals.

¹ Medivet Group Limited Annual Report and Accounts 30 April 2022, page 15, Companies House.

² Parties' consolidated response to Section 109 Notice of 25 October 2022 (Enquiry Letter), paragraph 6.2.

³ Parties' consolidated response to Section 109 Notice of 25 October 2022 (Enquiry Letter), paragraph 9.2. Medivet submitted that Medivet does not consider its [X], given [X].

This transaction completed on 11 August 2022. As further explained in the counterfactual section below, this site was closed in August 2022. Medivet did not acquire the premises.

- (e) Canine Healthcare was acquired as a single-site practice located in Shepshed, Loughborough. This transaction was a share purchase completed on 18 October 2021.⁴
- (f) Elizabeth Street was acquired as a single-site practice located in Belgravia, London, offering both Small Animal Services and Small Animal OOH Services. This transaction was a share purchase completed on 18 August 2022.
- (g) Ferring Street was acquired as a multi-site practice with two sites located in Ferring and one site in East Preston, all in West Sussex. This transaction was a share purchase completed on 29 July 2022.
- (h) Fitzalan House was acquired as a multi-site practice with five sites located in Littlehampton, East Preston, Angmering, Arundel and Rustington, all in West Sussex. This transaction was a business transfer agreement, completed on 24 January 2022.
- (i) The Hackney Vet was acquired as a single-site practice located in London. This transaction was a share purchase completed on 14 July 2022.
- (j) The assets and business of The Hollies were located in Loughborough, Leicestershire. The transaction completed on 27 September 2021. As further explained in the counterfactual section below, this site was closed on 24 September 2021. Medivet did not acquire the premises.
- (k) The assets and business of Iffley Vets were acquired from the two-site practice located in Oxford and Wheatley, both in Oxfordshire. This transaction completed on 19 November 2021. As further explained in the counterfactual section below, the site provided Small Animal OOH Services at the time of the transaction but stopped providing these services in January 2022.

⁴ As part of Medivet's acquisition of Canine Healthcare, Medivet also acquired Pet Expert Limited as part of a separate Share Purchase Agreement. Pet Expert Limited is a dog grooming business operating from the same premises as the veterinary practice.

- (l) Oxford Cat Clinic was acquired as a two-site practice located in Botley and Marston, both in Oxford. This transaction was a share purchase completed on 11 August 2022.
- (m) The Vet on Richmond Hill & St Margaret's, located in Richmond and Twickenham, in London, were both acquired from the same vendor. This transaction was an acquisition of the business as a going concern together with the assets, completed on 1 September 2022.
- (n) The Vet Station was acquired as a single-site practice located five miles outside of Hemel Hempstead, Hertfordshire. This transaction was a share purchase completed on 10 February 2022.
- (o) Withy Grove was acquired as a single-site practice located in Bamber Bridge, Preston. This transaction was a share purchase completed on 22 March 2022.

RATIONALE FOR THE MERGERS

28. Based on internal documents submitted by Medivet,⁵ the factors considered by Medivet when acquiring a veterinary practice include:
- (a) profit analysis and valuation of the practice, including the EBITDA the clinic would generate if owned by Medivet;
 - (b) the potential synergies available to Medivet if the practice were to come under Medivet ownership, including procurement savings, staff savings and referral income;
 - (c) location of the practice in relation to existing Medivet practices, particularly proximity to Medivet hubs and spokes;
 - (d) local demographics and related demand for veterinary services; and
 - (e) clinical operations of the practice, including what services are offered.

⁵ For example, Parties' response to Section 109 Notice of 25 October 2022 (Enquiry Letter), Annex N210.

INDUSTRY BACKGROUND

Increased demand and shortage of vets

29. In recent merger control investigations involving the veterinary industry, the CMA noted that the demand for veterinary services in the UK has grown strongly in recent years due to (i) the humanisation and medicalisation of pets, (ii) improved diagnostics and treatment prognosis, (iii) increased availability of pet insurance, and (iv) increased pet ownership since the COVID-19 pandemic.⁶
30. Previous CMA cases have also identified a particular shortage of vets in the industry in recent years, posing recruitment challenges nationally which have been exacerbated by Brexit. This is reflected in the proportion of new UK-registered vets who are qualified in the EU falling from 53% to 23%, according to data from the RCVS.⁷
31. Medivet acknowledged the industry context of both increased demand for veterinary services and a shortage of qualified vets able to supply these services.⁸ Of these factors Medivet submitted that “increased pet ownership as a result of the COVID-19 pandemic has been especially impactful in recent years (and will continue to have an impact as puppies and kittens acquired during lockdown grow older)”.⁹
32. Medivet also submitted that the impact of both factors on the industry is lessening. It suggested this is due to (i) a recent loosening of COVID-19 restrictions and adjustments to life post-Brexit, (eg vets are now included on the UK labour shortage list and therefore are now eligible for visas under certain circumstances); and (ii) an increase in the number of vet schools in the UK (with four having opened in the last seven years).¹⁰ In addition, Medivet submitted that the industry has previously shown the ability to adjust from a supply-side perspective to meet increased demand for veterinary services. For example, Medivet submitted that the number of registered vets rose by around a third from 2012 to 2019 in response to increasing demand. However, evidence available to the CMA, including submissions from third parties and Medivet itself (see paragraph 225 below), does not support Medivet’s

⁶ [IVC/Multiple independent veterinary businesses](#) [CMA/03/2023], 17 February 2023, ([IVC/Multiple](#)) paragraph 35; [VetPartners/Goddard](#) [ME/6967/21], 28 April 2022, paragraph 40 ([VetPartners/Goddard](#)); [CVS/The Vet](#) [ME/6967/21], 7 April 2022 ([CVS/The Vet](#)), paragraph 43.

⁷ Parties’ Response to RFI 1, 9 January 2023, paragraph 1.3; RCVS Workforce Summit 2021, [Preliminary report on recruitment, retention and return in the veterinary profession](#).

⁸ Parties’ consolidated response to Section 109 Notice of 25 October 2022 (Enquiry Letter), paragraph 1.3.

⁹ Parties’ Response to RFI 1, 9 January 2023, paragraph 1.2.

¹⁰ Parties’ Response to RFI 1, 9 January 2023, paragraph 1.3.

submissions and the CMA considers that the recruitment and retention of vets remains a significant industry-wide challenge. Specifically, the Annual Report for Medivet for the year ended 30 April 2021 acknowledges that the market for veterinary surgeons and veterinary nurses is highly competitive and there is risk in relation to Medivet's ability to attract and retain key staff.¹¹

Consolidation by corporate groups

33. In recent merger control investigations, the CMA has noted a trend towards consolidation in the veterinary industry, with large numbers of independent practices being acquired by corporate veterinary groups.¹² In this investigation, the CMA received concerns from third parties around the impact of consolidation in the veterinary industry.¹³ Medivet is the fifth largest corporate group active in the veterinary industry in the UK, along with IVC, VetPartners, CVS, Pets at Home, and Linnaeus (collectively referred to as **Corporate Groups**).¹⁴ Evidence from Medivet's internal documents shows that [redacted].¹⁵ Medivet acknowledged this trend, but submitted that while the proportion of independent practices has fallen in recent years, the industry remains diverse and highly fragmented, with some estimates suggesting that c.45% of the 5,300 veterinary practices in the UK are owned privately or in partnerships and small groups.¹⁶

Vertical integration

34. The CMA has received a number of (non-merger specific) concerns from third parties around the impact of vertical integration in the veterinary industry generally, including around the lack of visibility of ownership and reduced choice for services such as OOH care and referrals.¹⁷ The CMA has previously noted that there is evidence of increasing vertical integration in the veterinary industry.¹⁸ Medivet acknowledged this trend, noting that Corporate Groups often own related services

¹¹ Parties' response to Section 109 Notice of 25 October 2022 (Enquiry Letter), Annex F4.

¹² [VetPartners/Goddard](#), 28 April 2022, paragraphs 42–43

¹³ Responses to third party questionnaire.

¹⁴ Aldwych Partners, UK Veterinary Care – Competition risk Assessment: [Blog & News - Aldwych Partners](#). See also Parties' Response to RFI 1, 9 January 2023, paragraph 1.7c.

¹⁵ Parties' response to Section 109 Notice of 25 October 2022 (Enquiry Letter), Annex N178, Global Trends Report, Merck 2021, p.18.

¹⁶ Parties' consolidated response to Section 109 Notice of 25 October 2022 (Enquiry Letter), paragraphs 1.7-1.8.

¹⁷ Responses to third party questionnaire.

¹⁸ [VetPartners/Goddard](#), paragraphs 45–46, *IVC/Various*, paragraphs 39-40.

such as crematoria, OOH and laboratory services and referrals, but submitted that such integration can in theory improve the breadth and continuity of care provided.¹⁹

Hub-and-spoke business models

35. Some veterinary service providers operate ‘hub-and-spoke’ models where they build up a significant presence within a specific location and then link a larger practice²⁰ (eg a hospital) (the ‘**hub**’) with smaller surrounding branch practices (‘**spokes**’). This arrangement allows branch practices to leverage the strength of the hub in order to offer clients services that otherwise would not be available at that practice, such as specialist diagnostics referrals, access to more expensive equipment or 24-hour care that is not available at the branch. Staff may split their work between the hub and one or more of the branch practices.²¹
36. Medivet submitted that it operates its veterinary practices on the basis of a hub-and-spoke model that is intended to combine resources across a region to offer 24-hour veterinary services.²² This typically involves various spokes in a specific location being linked to a 24-hour hospital hub, or a ‘mini-hub’ (a larger practice) in less pet-populated areas. These ‘mini-hubs’ can carry out the vast majority of services leaving only some advanced diagnostics and procedures to be supported by the nearest main hospital.
37. Medivet submitted that the Targets mainly consist of individual clinics and they do not operate a ‘hub-and-spoke’ model.²³ The CMA notes that while some of the Mergers are acquisitions of single sites (see paragraph 27 above), six of the Targets operate more than one site. Where a Target had multiple sites, Medivet also stated that veterinary surgeons would work across clinics.²⁴ For example, Medivet submitted that in relation to The Vet on Richmond Hill & St Margaret’s, the two sites (in addition to Medivet Old Isleworth, a non-Target site) share staff (including two lead vets, a graduate vet and practice manager), and also share certain IT systems.²⁵

¹⁹ Parties' consolidated response to Section 109 Notice of 25 October 2022 (Enquiry Letter), paragraph 1.10.

²⁰ In this Decision ‘practice’ and ‘site’ are used interchangeably and refer to any premises active in the supply of veterinary services.

²¹ [VetPartners/Goddard](#), paragraph 48; [IVC/Multiple](#), paragraph 41.

²² Parties' response to RFI 1, 9 January 2023, paragraph 1.13.

²³ Parties' response to RFI 1, 9 January 2023, paragraph 1.14.

²⁴ Parties' consolidated response to Section 109 Notice of 25 October 2022 (Enquiry Letter), paragraph 31.15.

²⁵ Parties' response to RFI, 20 March 2023.

PROCEDURE

38. The CMA's mergers intelligence function identified these Mergers as warranting an investigation.²⁶ As explained at paragraphs 80-86, Medivet did not make the material facts of these Mergers public when Medivet acquired each of the Targets. Therefore, the CMA considers that the four-month clock for each of these Mergers did not start until the CMA became aware of material facts on 30 September 2022 (or 13 September 2022 for Elizabeth Street).
39. All of the Mergers were considered at a Case Review Meeting, except Withy Grove.²⁷

JURISDICTION

40. The CMA has jurisdiction over transactions where it considers that it is or may be the case that a relevant merger situation has been created. Under the Act, a relevant merger situation has been created when:²⁸
- (a) two or more enterprises ceased to be distinct; and
 - (b) either:
 - (i) the UK turnover associated with the enterprise which is being acquired exceeds £70 million (the **turnover test**); or
 - (ii) the enterprises which cease to be distinct supply or acquire goods or services of any description and, after the merger, together supply or acquire at least 25% of all those particular goods or services of that kind supplied in the UK or in a substantial part of it. The merger must also result in an increment to the share of supply or acquisition (this is referred to as '**the share of supply test**'); and
 - (c) in completed mergers, the date of the merger must be no more than four months before the day the reference is made, unless the merger took place without having been made public and without the CMA being informed of it (in

²⁶ See [Mergers: Guidance on the CMA's jurisdiction and procedure \(CMA2\)](#), December 2020, paragraphs 6.4-6.6 (**CMA2**).

²⁷ See [CMA2](#), December 2020, page 46.

which case the four-month period starts from the earlier of the time the merger was made public or the time the CMA was told about it).

41. The CMA's assessment of whether, in relation to each of the Mergers, it is or may be the case that a relevant merger situation has been created is set out below.

Enterprises ceasing to be distinct

42. The CMA considers that Medivet and each of the Targets are enterprises under section 129 of the Enterprise Act 2022 ('the Act'). As a result of each of the Mergers, the enterprises of Medivet and each of the relevant Targets have ceased to be distinct for the purposes of section 23(2)(a) and 26 of the Act.
43. The CMA considers that an 'enterprise' may comprise any number of components, most commonly including some combination of the assets and records needed to carry on certain activities of a business, employees working in the business, and existing contracts and/or goodwill. However, the Act does not require that a business be of any minimum scale or include any particular combination of components in order to constitute an enterprise.²⁹
44. In particular, in relation to the four asset acquisitions investigated, the CMA considers that:
- (a) Caddy Country constitutes an enterprise on the basis that the Merger comprises the sale of assets, along with associated transfer of customers, employees (under the provisions of TUPE), intellectual property (including trading names, the name of the business, logos), and inventory (including equipment, phone numbers and websites) needed to carry out the activities of Caddy Country's veterinary business.³⁰
 - (b) The Hollies constitutes an enterprise on the basis that the Merger comprises the sale of goodwill, assets (including veterinary and office equipment) and business records including its customer list, needed to carry out the activities of The Hollies' business. Further, The Hollies Merger constitutes more than a collection of 'bare assets' as the assets being transferred were previously employed in combination in the activities of The Hollies veterinary practice, notwithstanding that no staff or property rights were transferred.³¹

²⁹ [CMA2](#), paragraph 4.8.

³⁰ Parties' response to Section 109 Notice of 25 October 2022 (Enquiry Letter), Annex C19.

³¹ Parties' response to Section 109 Notice of 25 October 2022 (Enquiry Letter), Annex C3.

- (c) Iffley Vets constitutes an enterprise on the basis that the Merger comprises the sale of the assets that constitute the business of Iffley Vets, including the transfer of staff, licences to the relevant leases, goodwill, fixtures and fittings at the two practice sites, veterinary and office equipment and business records, needed to carry out Iffley Vets' business.³²
- (d) The Vet on Richmond Hill and St Margaret's constitutes an enterprise on the basis that the Merger comprises the sale of the assets that constitute the business of The Vet on Richmond Hill and St Margaret's, including the transfer of staff, the relevant leases, goodwill, fixtures and fittings at the two practice sites, veterinary and office equipment and business records, needed to carry out the respective businesses.³³

Turnover test

- 45. In the financial year ended 2019/2020 or 2020/2021 (as the last financial year prior to each of the Mergers), each of the Targets had a turnover below £70 million. The CMA therefore considers that the turnover test is not met for any of the Mergers.

Share of supply test

Legal framework

- 46. Under section 23 of the Act, the share of supply test is satisfied if, as a result of the merger, the merging enterprises will supply or acquire 25% or more of those goods or services.³⁴ Further, the share of supply test should be calculated based on the situation of the merging parties at the time of the reference decision.³⁵
- 47. The share of supply test should be satisfied in relation to the UK or a 'substantial part' of it ('**substantiality test**'). In deciding whether the relevant geographic area is a substantial part of the UK, the CMA takes into account whether the parts of the UK affected by the particular merger are collectively of either a size, character and importance as to make them worth consideration for the purposes of the Act.³⁶ In making this assessment, the CMA considers multiple potential factors such as: the size, population, social, political, economic, financial and geographic significance of

³² Parties' response to Section 109 Notice of 25 October 2022 (Enquiry Letter), Annex C6.

³³ Parties' response to Section 109 Notice of 25 October 2022 (Enquiry Letter), Annex C23.

³⁴ Section 23(2), (3) and (4) of the Act.

³⁵ Section 23(9) of the Act.

³⁶ *R v MMC, ex parte South Yorkshire Transport Ltd* [1993] 1 WLR 23 at 32B (*South Yorkshire*). See also [CMA2](#), paragraphs 4.61–4.63. The CMA will consider the aggregated local areas only if they form part of the same merger.

the specified area or areas, and whether it is (or they are) special or significant in some way.³⁷

CMA assessment

48. With respect to each of the Mergers being investigated, the CMA considers that the share of supply test is satisfied. Specifically, the CMA considers that, in relation to each Merger, Medivet and the relevant Target supply more than 25% of Small Animal Services in a relevant local area of overlap. The CMA has measured the share of supply of Small Animal Services based on either the combined share of FTE vets or the combined share of sites providing those services in those areas. The CMA considers that each Merger will result in an increment to the relevant share of supply. Furthermore, the CMA considers that, in relation to each Merger, the share of supply relates to a substantial part of the UK.
49. In applying the share of supply test, the CMA may, under section 23(8) of the Act, apply such criteria as it considers appropriate to decide whether certain goods or services should be treated as goods or services of a separate description.³⁸ The CMA considers that the number of full-time equivalent (**FTE**) vets employed or share of sites are appropriate measures in this case, which is consistent with previous CMA decisions regarding the veterinary industry.³⁹
50. In considering whether the share of supply relates to a substantial part of the UK, the CMA takes into account the local nature of the markets concerned by the Mergers. Consistent with the approach taken in a series of CMA merger decisions, most recently including *IVC/Multiple*,⁴⁰ prima facie, the CMA has concluded that those local areas that have a population above 100,000 will constitute a substantial part of the UK for the purposes of the Act on this basis alone. However, in line with the case law of the House of Lords in *R v MMC, ex parte South Yorkshire Transport Ltd*, the CMA considered other bases upon which a part of the UK can be deemed “substantial”. These bases include the size, population, social, political, economic, financial and geographic significance of the specified area or areas, and whether it or they are special or significant in some way.⁴¹ Therefore, where applicable, the CMA has set out below the local areas it has concluded constitute substantial parts

³⁷ [CMA2](#), paragraph 4.62.

³⁸ [CMA2](#), paragraph 4.59(d).

³⁹ See [IVC/Multiple](#) at paragraphs 56-57, [VetPartners/Goddard](#) at paragraph 33 and [CVS/The Vet](#) at paragraphs 30-33.

⁴⁰ [IVC/Multiple](#), paragraph 54.

⁴¹ [CMA2](#), paragraph 4.62.

of the UK on an alternative basis to population alone, as the population in those local areas is less than 100,000.

51. The CMA has calculated shares of supply as follows:

- (a) For Medivet's acquisitions of All Creatures, Brockwell Vets, Caddy Country, Elizabeth Street, Ferring Street, Iffley Vets, The Hackney Vet, The Hollies, Oxford Cat Clinic, The Vet on Richmond Hill & St Margaret's and Withy Grove, the CMA has calculated shares of supply based on number of FTE vets and/or share of sites, within the individual 80th percentile catchment area around either a Target site or an overlapping Medivet site.
- (b) For Medivet's acquisition of Barton, the CMA has calculated shares of supply based on number of FTE vets and share of sites, within the *average* 80th percentile catchment area, calculated as per paragraph 155 for the Medivet 24 Hour Swanland site, around Medivet 24 Hour Swanland.
- (c) For Medivet's acquisitions of Canine Healthcare, Fitzalan House and The Vet Station, the CMA has calculated shares of supply based on number of FTE vets, within 1.5 times the individual 80th percentile catchment area around the Target site or an overlapping Medivet site.
- (d) The local areas described directly above, for which the CMA has calculated shares, are also referred to as the **relevant local areas**.

52. Medivet has submitted that a reliance on share of sites is inappropriate, even for jurisdiction, highlighting the CMA's previous decisions that recognised the superiority of shares calculated by number of FTE vets over share of sites.⁴² Medivet further submitted that it is not clear on what basis the CMA has chosen to use 80th percentile catchment, 1.5 times catchment or average catchment areas for some Mergers, that there is no basis for the 1.5 multiplier being used, and that the CMA has applied an inconsistent approach across the Mergers.⁴³

53. For the purposes of the jurisdictional test, the CMA will have regard to any reasonable description of a set of goods or services to determine whether the share of supply test is met.⁴⁴ Furthermore, the CMA notes that the share of supply test is not an economic assessment of the kind used in the CMA's substantive

⁴² Parties' response to the supplementary issues letter, 2 May 2023.

⁴³ Parties' response to the Issues letter (annotated issues letter), 26 April 2023, paragraph 31; Parties' response to the Issues Letter (Issues Meeting presentation), 26 April 2023, slide 13.

⁴⁴ [CMA2](#), paragraph 4.59(b)

assessment; therefore, the group of goods or services to which the jurisdictional test is applied need not amount to a relevant economic market.⁴⁵ The CMA considers that the share of sites provides a reasonable criterion in determining whether the 25% threshold is met. This is the case regardless of the fact that, in conducting its assessment of the jurisdictional test for each separate Merger, the CMA has determined it appropriate to apply the measure in relation to 80th percentile catchment, 1.5 times catchment or average catchment areas. The CMA notes that share of sites has been used in recent CMA local area merger assessments.⁴⁶ Similarly, the CMA considers that the 1.5 times catchment area is a reasonable measure to determine the local area in which the Parties compete, noting that customer overlaps can occur when the sites are outside each other's 80% catchment area.⁴⁷

54. Medivet submitted that the CMA's assessment of jurisdiction, including the substantiality test, must be met in relation to each separate Merger.⁴⁸ As set out below, the CMA has made a separate share of supply assessment in relation to each of the Mergers. Further details on these share of supply assessments are set out in Table 1 and the sections below.

Table 1: Combined shares of supply in Small Animal Services and increments in local areas around Medivet and Target sites.

Merger	Name of centroid site	Owner of centroid site	Combined share of supply		Increment	
			FTE (%)	Sites (%)	FTE (%)	Sites (%)
All Creatures	All Creatures (Locksbottom)	All Creatures	[70-80]%	[50-60]%	[30-40]%	[20-30]%
	All Creatures (Chelsfield)	All Creatures	[40-50]%	[30-40]%	[20-30]%	[10-20]%
Barton	Medivet 24 Hour Swanland (<i>average catchment</i>)	Medivet	[30-40]%	[30-40]%	[10-20]%	[5-10]%
Brockwell Vets	Medivet 24 Hour Camberwell	Medivet	[20-30, >25]%	[20-30, >25]%	[0-5]%	[0-5]%
Caddy Country	Caddy Country	Caddy Country	[20-30, <25]%	[30-40]%	[10-20]%	[10-20]%

⁴⁵ [CMA2](#), paragraph 4.59(a).

⁴⁶ See, for example, [Portman Healthcare/Dentex Healthcare decision](#), 2 March 2023, paragraph 101, in the context of private dentistry, [Riviera Bidco Limited / Dental Partners Group Limited](#), 23 August 2022, paragraph 4, in the context of dental practices.

⁴⁷ The CMA notes that it has used 1.5 times catchment areas in prior local area merger assessments, including for example in the competitive assessment of [Breedon Group/Cemex Investments](#), 26 August 2020, paragraph 160, in the context of aggregates.

⁴⁸ Parties' response to the Issues Letter (Issues Meeting presentation), 26 April 2023, slide 2.

Merger	Name of centroid site	Owner of centroid site	Combined share of supply		Increment	
			FTE (%)	Sites (%)	FTE (%)	Sites (%)
Canine Healthcare	Medivet Birstall (1.5x individual 80% catchment) ⁴⁹	Medivet	[10-20]%	[20-30, >25]%	[0-5]%	[0-5]%
Elizabeth Street	Elizabeth Street (Belgravia Elizabeth St)	Elizabeth Street	[40-50]%	[30-40]%	[0-5]%	[0-5]%
Ferring Street	Medivet Goring-by-sea	Medivet	[20-30, >25]%	[30-40]%	[10-20]%	[10-20]%
Fitzalan House	Fitzalan House (Arundel River) (1.5x individual 80% catchment) ⁵⁰	Fitzalan House	[30-40]%	[30-40]%	[10-20]%	[20-30]%
The Hackney Vet	The Hackney Vet	The Hackney Vet	[70-80]%	[60-70]%	[40-50]%	[20-30]%
The Hollies	The Hollies	The Hollies	[30-40]%	[60-70]%	[5-10]%	[20-30]%
Iffley Vets	Iffley Vets (Oxford Iffley Road)	Iffley Vets	[20-30, >25]%	[30-40]%	[10-20]%	[10-20]%
Oxford Cat Clinic	Oxford Cat Clinic (Botley Cat Clinic)	Oxford Cat Clinic	[30-40]%	[40-50]%	[10-20]%	[10-20]%
The Vet on Richmond Hill & St Margarets	Medivet Twickenham	Medivet	[20-30, <25]%	[30-40]%	[5-10]%	[10-20]%
The Vet Station	Medivet Hemel Hempstead Marlowes (1.5x individual 80% catchment)	Medivet	[30-40]%	[40-50]%	[10-20]%	[5-10]%
Withy Grove	Medivet Choreley	Medivet	[40-50]%	[30-40]%	[20-30]%	[0-10]%

Source: The CMA's analysis of Medivet's responses to Section 109 Notice 4, Section 109 Notice 6, Section 109 Notice 8.

All Creatures

55. As shown in Table 1 above, the CMA estimates that Medivet and All Creatures supply more than 25% of Small Animal Services in the relevant local areas centred around both the Locksbottom and Chelsfield Target sites (with an increment brought

⁴⁹ The CMA's analysis using the Parties' response to Section 109 Notice 6, 28 February 2023 and the datasets of "distances_travel_times_df (2)" and "master_df_annex 3" submitted as raw data for the replication of results in Annex G of the Parties' response to Section 109 Notice 8, 15 March 2023, produces these shares. The CMA removed Poultry Health Services as a competitor, as this site does not provide Small Animal Services and made adjustments to third party FTE figures, if not submitted by Third Parties to the CMA as set out below in paragraph 165.

⁵⁰ The CMA's analysis using the Parties' response to Section 109 Notice 6, 28 February 2023 and the datasets of "distances_travel_times_df (2)" and "master_df_annex 3" submitted as raw data for the replication of results in Annex G of the Parties' response to Section 109 Notice 8, 15 March 2023, produces these shares.

about by the Merger), calculated both by the number of FTE vets and by share of sites. The CMA considers that the relevant local areas for this Merger each constitute a substantial part of the UK, as the population in both the relevant local areas around the Chelsfield and Locksbottom sites is above 100,000.⁵¹

Barton

56. As shown in Table 1 above, the CMA estimates that Medivet and Barton supply more than 25% of Small Animal Services in the relevant local area centred around Medivet 24 Hour Swanland⁵² (with an increment brought about by the Merger), calculated both by the number of FTE vets and by share of sites. The CMA considers that the relevant local area for this Merger constitutes a substantial part of the UK, as the population in the relevant local area around Medivet 24 Hour Swanland is above 100,000.

Brockwell Vets

57. As shown in Table 1 above, the CMA estimates that Medivet and Brockwell Vets supply more than 25% of Small Animal Services in the relevant local area centred around Medivet 24 Hour Camberwell⁵³ (with an increment brought about by the Merger), calculated both by the number of FTE vets and by share of sites. The CMA considers that the relevant local area for this Merger constitutes a substantial part of the UK, as the population in the relevant local area around Medivet 24 Hour Camberwell is above 100,000.

⁵¹ The CMA estimated populations in the relevant local areas using the following methodology; (i) the site's locations were geocoded using the postcode of each Site (using the "Geocode Table" tool in ArcGIS Pro, with the Input Locator of "OS Code-Point Open postcode locator"); (ii) a local area corresponding to each site's individual or average catchment area (in minutes) or 1.5x each Site's individual catchment area (in minutes), whichever relevant, was created using ArcGIS Pro's "GenerateServiceAreas" tool; (iii) ArcGIS Pro's "Spatial Join Analysis" tool was used to determine the list of output areas (using 2011 census data codes) within each local area (additionally, the CMA used the settings "one-to-many" and the option "completely contains", meaning the output area code had to be fully within the local area to be included); (iv) ArcGIS Pro's "Table to Excel" tool was then used to export the attribute table from each Spatial Joint analysis; and, (v) the CMA then imported the Spatial Joint analysis attribute tables into Stata and matched the output area codes to 2020 ONS mid-year population estimates for the relevant area it was interested in. Populations were estimated using the Parties' response to Section 109 Notice 4, 31 January 2023, the UK Data Service's 2011 Census Geography boundaries (Output Areas and Small Areas) [Shapefile](#) and the Office for National Statistics' mid-2020 population estimations by output area (see [link](#)).

⁵² Medivet 24 Hour Swanland is a Medivet site that overlaps with Barton. The CMA notes the calculation in Table 1 does not include the Medivet Ulceby site, which is discussed further in the Counterfactual section, as Medivet Ulceby does not fall within the average catchment area used.

⁵³ Medivet Camberwell is a Medivet site that overlaps with the Brockwell Vets site.

Caddy Country

58. As shown in Table 1 above, the CMA estimates that Medivet and Caddy Country supply more than 25% of Small Animal Services in the relevant local area centred around Caddy Country, calculated by share of sites. The share of supply in the area centred around the Caddy Country's site is calculated as if the Target site were still open, as it was prior to the acquisition. As a result of the acquisition, the Caddy Country site was closed (as discussed in the Counterfactual section) and Medivet has submitted that 4 employees (including the relevant FTE vet) were transferred to Medivet.⁵⁴ Therefore, as a result of the acquisition, Medivet's share of supply calculated by share of sites has increased as the assets and business that constituted the Caddy Country site has been transferred to Medivet.
59. The population in the relevant local area is likely below 100,000. In relation to the substantiality of this local area, Medivet submitted that:⁵⁵
- a. under the substantiality test, the CMA must assess the substantiality of the relevant local area with respect to the UK, not specifically to Northern Ireland. Further, the CMA cannot consider the significance of an area within the context of Northern Ireland specifically, as to do so could suggest differentiated treatment between English and Northern Irish consumers;
 - b. the population of the relevant local area is too low to constitute a substantial part of the UK, or even Northern Ireland if the CMA decided to look at Northern Ireland separate to the UK;
 - c. for the CMA to consider that an affected population of well below 100,000 constitutes a substantial part of the UK would render the substantiality test effectively meaningless; and
 - d. factors not related to veterinary services should not be considered, or if they are considered, should be considered of minimal relevance, in relation to substantiality.
60. However, the CMA notes that in applying the substantiality test, the CMA can consider factors other than population, reflecting the broader purpose of the substantiality test to confer on the CMA the power to investigate a merger 'of such size, character and importance as to make it worth consideration for the purposes of

⁵⁴ Parties' submission to the CMA (derogation request), 13 January 2023, paragraph 1.11.

⁵⁵ Parties' response to the Issues Letter (Issues Meeting presentation), 26 April 2023, slide 30; Parties' response to the supplementary issues letter, 12 May 2023.

the Act'.⁵⁶ Therefore, when considering the factors listed above in paragraph 50, the CMA has considered the size and population of the relevant local area in the context of Northern Ireland (as a devolved nation of the UK) in assessing its significance, and has also given weight to the economic, social and political significance of the relevant local area. The CMA notes that if it were to approach significance based solely on population count across the whole of the UK, this would go against the purpose of the substantiality test and risk the CMA not having the power to investigate mergers in less densely populated areas of the UK, which were nevertheless of regional or local significance.⁵⁷

61. In particular, the CMA notes that the relevant catchment area includes the town of Ballymena, which has geographical significance being the eighth largest town in Northern Ireland by population and is a shopping hub for the neighbouring areas. The southern parts of the relevant catchment area borders Lough Neagh, the largest lake in Ireland and the UK, and the area is a significant recreational destination. The CMA further notes that the use of veterinary services is a non-discretionary expense for consumers, and therefore the potential for harm resulting from an anticompetitive merger in this sector would be unavoidable for consumers.
62. Therefore, the CMA considers that the relevant local area for this Merger constitutes a substantial part of the UK.

Canine Healthcare

63. As shown in Table 1 above, the CMA estimates that Medivet and Canine Healthcare supply more than 25% of Small Animal Services in the relevant local area centred around Medivet Birstall⁵⁸ (with an increment brought about by the Merger), calculated by share of sites.⁵⁹ The CMA considers that the relevant local area for this Merger constitutes a substantial part of the UK, as the population in the relevant local area centred around Medivet Birstall is above 100,000.

⁵⁶ *South Yorkshire* at 32B.

⁵⁷ As the House of Lords noted in *South Yorkshire*, 'I cannot see why its relationship to the whole is the only measure of the commission's jurisdiction. What does seem to me clear is that there is no cut-off point fixed by reference to geography and arithmetic alone'.

⁵⁸ Medivet Birstall is a Medivet site that overlaps with Canine Healthcare.

⁵⁹ The CMA notes that its analysis of "master_annex_df_3" submitted in the Parties' response to Section 109 Notice 8, 15 March 2023, suggests the combined share of sites around The Hollies would still be above 25% with an increment without including The Hollies as a site. The analysis suggests the area would still include Canine Healthcare, Medivet Loughborough and Medivet Birstall, while removing Poultry Health Services as a competitor.

Elizabeth Street

64. As shown in Table 1 above, the CMA estimates that Medivet and Elizabeth Street supply more than 25% of Small Animal Services in the relevant local area centred around the Target site (with an increment brought about by the Merger), calculated both by the number of FTE vets and by share of sites. The CMA considers that the relevant local area for this Merger constitutes a substantial part of the UK, as the population in the relevant local area centred around the Target site is above 100,000.

Ferring Street

65. As shown in Table 1 above, the CMA estimates that Medivet and Ferring Street supply more than 25% of Small Animal Services in the relevant local area centred around Medivet Goring-by-sea⁶⁰ (with an increment brought about by the Merger), calculated both by the number of FTE vets and by share of sites. The CMA considers that the relevant local area for this Merger constitutes a substantial part of the UK, as the population in the relevant local area centred around Medivet Goring-by-sea is above 100,000.

Fitzalan House

66. As shown in Table 1 above, the CMA estimates that Medivet and Fitzalan House supply more than 25% of Small Animal Services in the relevant local area around Fitzalan House's Arundel River site (with an increment brought about by the Merger), calculated both by the number of FTE vets and share of sites. The CMA considers that the relevant local area for this Merger constitutes a substantial part of the UK, as the population in the relevant local area centred around the Target site is above 100,000.

The Hackney Vet

67. As shown in Table 1 above, the CMA estimates that Medivet and The Hackney Vet supply more than 25% of Small Animal Services in the relevant local area centred around The Hackney Vet (with an increment brought about by the Merger), calculated both by the number of FTE vets and by share of sites. The CMA considers that the relevant local area for this Merger constitutes a substantial part of

⁶⁰ Medivet Goring-by-sea is a Medivet site that overlaps with the Ferring Street sites.

the UK, as the population in the relevant local area centred around the Target site is above 100,000.

The Hollies

68. As shown in Table 1 above, the CMA estimates that Medivet and the Hollies supply more than 25% of Small Animal Services in the relevant local area around the Target site (with an increment brought about by the Merger), calculated by the number of FTE vets.
69. As mentioned in paragraph 48, the share of supply is met if the enterprises which cease to be distinct supply or acquire goods or services of any description and, after the merger, together supply or acquire at least 25% of all those particular goods or services of that kind supplied in the UK or in a substantial part of it. The merger must also result in an increment to the share of supply or acquisition.
70. The Hollies site was closed shortly prior to the completion of the Merger and the vet who previously worked at The Hollies no longer practices as a vet.⁶¹ As a result of the Merger, assets comprising the business of The Hollies (specifically, the serviceable assets and customer list of The Hollies) were transferred to Medivet and now operate from the existing Medivet practice at 20 Forest Road Loughborough (**Medivet Loughborough**).⁶² An internal document from Medivet indicates that [redacted] and that [redacted].⁶³ Furthermore, it was a condition of the Merger that [redacted].⁶⁴ Therefore, the CMA considers that as a result of the Merger, Medivet's share of supply has increased.
71. In line with the Act,⁶⁵ the CMA has broad discretion as to the criteria against which to assess whether the share of supply test is met. In the particular circumstances of The Hollies, the CMA considers that the number of FTE vets provides a reasonable criterion in determining whether the 25% threshold is met. The CMA also notes that in accordance with section 23(9) of the Act, the CMA assesses whether the share of supply test is met at the time of its decision on reference. In the particular circumstances of The Hollies, the CMA considers that The Hollies' FTE vets share at the time of reference is best reflected by the number of FTE vets employed one month prior to the Merger and closure of The Hollies. The CMA considers that the number of FTE vets associated with The Hollies prior to the acquisition is an

⁶¹ File note of call with a third party [redacted], dated 27 April 2023.

⁶² Parties' response to Section 109 Notice 2, 25 November 2022, paragraphs 5.1 and 6.3.

⁶³ Parties' response to Section 109 Notice of 25 October 2022 (Enquiry Letter), Annex N231.

⁶⁴ Parties' response to Section 109 Notice of 25 October 2022 (Enquiry Letter), Annex C3, clauses 11.1-11.2.

⁶⁵ Section 23(5) of the Act.

appropriate and reasonable proxy for the revenue associated with The Hollies' customers which were transferred to Medivet Loughborough. This is consistent with the findings in paragraph 139 in *CVS/The Vet*, where the CMA noted the strong correlation between FTE vets and revenues as well as submissions by Medivet that it considers FTE vets and revenue to be strongly correlated measures.⁶⁶

72. The population in the relevant local area is likely below 100,000. Medivet submitted that the factors the CMA considers cannot be 'purely local in nature', but rather must be 'anchored to the importance of these areas to the UK or a substantial part of it'.⁶⁷ However, as above at paragraph 60, the CMA notes that the substantiality test can consider factors other than population and in particular that the importance of the area (not only by reference to the UK or a substantial part of the UK) should be determined as such to make it worthy of consideration for the purposes of merger control. Specifically, the CMA has given weight to the economic, social and political significance of the relevant local area when applying the substantiality test.
73. In particular, the CMA notes that The Hollies site is situated in Loughborough, which it considers has geographical significance given Loughborough is the second largest town in Leicestershire and the eighth largest town in the East Midlands by population. The CMA also considers that Loughborough has political significance, being the largest town, main commercial centre and administrative centre of the Charnwood Borough Council. Additionally, the CMA considers that Loughborough has economic significance by hosting a major academic institution, namely Loughborough University, which teaches nearly 20,000 students. As above, the CMA notes that the use of veterinary services is a non-discretionary expense for consumers, and therefore the potential for harm resulting from an anticompetitive merger in this sector would be unavoidable for consumers.
74. Therefore, the CMA considers that the relevant local area for this Merger constitutes a substantial part of the UK.

Iffley Vets

75. As shown in Table 1 above, the CMA estimates that Medivet and Iffley Vets supply more than 25% of Small Animal Services in the relevant local area centred around the Target site at Oxford (with an increment brought about by the Merger), calculated by both by the number of FTE vets and share of sites. The CMA considers that the relevant local area for this Merger constitutes a substantial part of

⁶⁶ Parties' response to Section 109 Notice 6 (Supplementary response), 28 February 2023, page 7.

⁶⁷ Parties' response to the supplementary issues letter, 12 May 2023, page 2.

the UK, as the population in the relevant local area centred around the Target site at Oxford is above 100,000.

Oxford Cat Clinic

76. As shown in Table 1 above, the CMA estimates that Medivet and the Oxford Cat Clinic supply more than 25% of Small Animal Services in the relevant local area centred around the Target site at Botley (with an increment brought about by the Merger), calculated both by the number of FTE vets and by share of sites. The CMA considers that the relevant local area for this Merger constitutes a substantial part of the UK, as the population in the relevant local area centred around the Target site at Botley is above 100,000.

The Vet on Richmond Hill & St Margaret's

77. As shown in Table 1 above, the CMA estimates that Medivet and The Vet on Richmond Hill & St Margaret's supply more than 25% of Small Animal Services in the relevant local area centred around Medivet Twickenham⁶⁸ (with an increment brought about by the Merger) calculated by share of sites. The CMA considers that the relevant local area for this Merger constitutes a substantial part of the UK, as the population in the relevant local area centred around Medivet Twickenham is above 100,000.

The Vet Station

78. As shown in Table 1 above, the CMA estimates that Medivet and The Vet Station supply more than 25% of Small Animal Services in the relevant local area centred around Medivet Hemel Hempstead Marlowes⁶⁹ (with an increment brought about by the Merger), calculated both by the number of FTE vets and by share of sites. The CMA considers that the relevant local area for this Merger constitutes a substantial part of the UK, as the population in the relevant local area centred around Medivet Hemel Hempstead Marlowes is above 100,000.

Withy Grove

79. As shown in Table 1 above, the CMA estimates that Medivet and Withy Grove supply more than 25% of Small Animal Services in the relevant local area centred

⁶⁸ Medivet Twickenham is a Medivet site that overlaps with The Vet on Richmond Hill & St Margaret's Target sites.

⁶⁹ Medivet Hemel Hempstead Marlowes is a Medivet site that overlaps with the The Vet Station.

around Medivet Chorley⁷⁰ (with an increment brought about by the Merger), calculated both by the number of FTE vets and by share of sites. The CMA considers that the relevant local area for this Merger constitutes a substantial part of the UK, as the population in the relevant local area centred around Medivet Chorley is above 100,000.

Statutory period for reference

Legal framework

80. Under section 24 of the Act, a completed merger must have taken place not more than four months before the CMA takes its decision on the duty to refer, unless the merger took place without notice of material facts being given to the CMA or material facts being made public. In these cases, the four-month period starts from the earlier of the time that material facts are made public or the time the CMA is told of material facts.
81. The CMA interprets ‘material facts’ as being the necessary facts that are relevant to the determination of the CMA’s jurisdiction in terms of the four-month time period. In practice, this means information on the identity of the merger parties and whether the transaction remains anticipated (including the status of any conditions precedent to completion) or has completed.⁷¹
82. Section 24(3) of the Act provides that material facts are ‘made public’ when they are ‘so publicised as to be generally known or readily ascertainable’. The CMA interprets this as meaning that such information could readily be ascertained by the CMA acting reasonably and diligently in accordance with its statutory functions.⁷² CMA2 also explains that, in practical terms, the CMA would consider that an acquiring party would normally be said to have ‘made public’ material facts where those facts had been publicised in the national or relevant trade press in the UK and where the acquiring party had itself taken steps to publicise the transaction at large, normally by publishing and prominently displaying on its own website a press release about the transaction.⁷³

⁷⁰ Medivet Chorely is a Medivet site that overlaps with Withy Grove.

⁷¹ [CMA2](#), paragraph 4.49(a).

⁷² [CMA2](#), paragraph 4.49(b). See also paragraph 107 of the [Explanatory Notes to the Act](#), which refers to the intention that the OFT (one of the predecessor organisations to the CMA) ‘would reasonably be expected to have known or found out about the merger if it has not been notified about it’.

⁷³ [CMA2](#), paragraph 4.49(b).

CMA assessment

83. Medivet submitted that at the time of the Mergers, Medivet did not issue individual press releases and/or public announcements given the small size of the transactions.⁷⁴ Nor were any of the Mergers publicised in national or trade press.^{75,76}
84. The CMA considers that in the absence of material facts being made public, the four-month period starts from the time the CMA was told of material facts.
85. The CMA was told of material facts in relation to all but one of the Mergers on 30 September 2022, the date on which the CMA's Mergers Intelligence Committee received material facts on all but one of the Mergers. In relation to Elizabeth Street, the CMA became aware of material facts of the Merger earlier on 13 September 2022. On this basis, the four-month deadline under section 24 of the Act (as extended)⁷⁷ is 19 May 2023, except in respect of the Elizabeth Street Merger, for which the four-month deadline is 2 June 2023 (after Medivet agreed to a 20-working day extension).⁷⁸
86. Accordingly, the CMA considers that, for each of the Mergers, it is or may be the case that a relevant merger situation has been created.

COUNTERFACTUAL

87. The CMA assesses a merger's impact relative to the situation that would prevail absent the merger (ie the counterfactual). For completed mergers, the CMA generally adopts the pre-merger conditions of competition as the counterfactual against which to assess the impact of the merger. However, the CMA will generally

⁷⁴ Parties' response to Section 109 Notice 5, 31 January 2023, paragraph 1.1.

⁷⁵ Parties' response to Section 109 Notice 5, 31 January 2023, paragraph 1.2.

⁷⁶ Medivet submitted that Medivet and the Targets notified customers of the Mergers through a combination of: (i) placing noticing in the waiting rooms of relevant clinics; (ii) updating clinics' websites or establishing a live Medivet website for the Target, (iii) sending letters to customers (in some instances); and (iv) making transaction-related posts on their public Facebook pages (in some instances). The CMA does not consider that any of these publications or communications constitute material facts being 'made public', noting that they were not prominently displayed on the front page of Medivet's website and were not published in any national or trade press.

⁷⁷ In the course of the CMA's investigation, the four-month deadline was extended for (i) 99 calendar days (between 9 November 2022 and 16 February 2023) due to Medivet's failure to respond (with or without a reasonable excuse) to the CMA's Enquiry Letter dated 25 October 2022; and (ii) 10 calendar days (between 24 February 2023 and 6 March 2023) due to Medivet's failure to comply (with or without a reasonable excuse) to the CMA's section 109 requests dated 16 February 2023 and 23 February 2023.

⁷⁸ Medivet and the CMA agreed to a 20-working day extension pursuant to section 25(1) of the Act on 20 February 2023.

conclude on the counterfactual conditions of competition broadly – that is, prevailing or premerger conditions of competition, conditions of stronger competition or conditions of weaker competition. If two or more possible counterfactual scenarios lead to broadly the same conditions of competition the CMA may not find it necessary to select the particular scenario that leads to its counterfactual.⁷⁹

88. With respect to Medivet's acquisitions of 11 of the Targets (All Creatures, Brockwell Vets, Canine Healthcare, Elizabeth Street, Ferring Street, Fitzalan House, The Hackney Vet, Oxford Cat Clinic, The Vet on Richmond Hill & St Margaret's, The Vet Station and Withy Grove), Medivet submitted that the most appropriate counterfactual is the prevailing conditions of competition. In the absence of any evidence supporting a more or less competitive counterfactual, the CMA considers that the relevant counterfactual is the pre-merger conditions of competition for each of these transactions. For the remaining Mergers, the counterfactual assessment for each is set out below.
89. As each Medivet acquisition of the Targets is a separate relevant merger situation, for the purposes of assessing the competitive effect of a Merger where Targets overlap within a catchment area, the CMA has treated the overlapping Target as a Medivet site for the purposes of the counterfactual. That is, for the assessment of Target A for which Target B is within the catchment area, Target B is treated as a Medivet site.
90. Medivet submitted that in circumstances where the CMA has established jurisdiction over two separate transactions and is conducting a parallel review into the overlaps between them, any potential SLC must fall (only) on the later transaction, and that it cannot logically fall on both at the same time.⁸⁰ Specifically, Medivet submitted that if an SLC was to be found in relation to the Fitzalan House and Ferring Street Mergers where the SLC is contingent on the other Merger, it must be the case that the SLC is brought about by the later Merger (Ferring Street), because in the competitive assessment for the earlier Merger (Fitzalan House), Ferring Street should not be included as a Medivet site, but rather as an independent third-party competitor.
91. The CMA notes that this approach would require assessing the Fitzalan House Merger as at the time of its acquisition, without considering any future acquisitions that would take place in the absence of the Fitzalan House Merger. The CMA does

⁷⁹ See [Merger Assessment Guidelines \(CMA129\)](#), March 2021, from paragraph 3.9 (**CMA129**).

⁸⁰ Parties' response to the Issues Letter (Issues Meeting presentation), 26 April 2023, slides 18 and 45.

not make a static assessment frozen at a particular point in time, but rather conducts a prospective analysis of the process of rivalry over time, which considers the impact of future developments of which it can conclude with sufficient certainty.⁸¹ Therefore, the CMA assessed the competitive constraint that Medivet would be likely to face following the Mergers, including known future developments, such as the acquisition of other Targets. In the case of the Fitzalan House and Ferring Street Mergers, there is no evidence suggesting the two Mergers were related or contractually inter-conditional. We do not consider that the CMA is required to ignore for the counterfactual analysis any other events that would have happened absent the Merger simply because they actually take place after the completion of the Merger.

Iffley Vets

92. Medivet submitted that one month prior to its acquisition, Iffley Vets offered Small Animal OOH Services to its customers via on-call vets operating on rota at the Oxford site and Iffley Vets did not provide OOH services to nearby practices, but only to the registered customers of its Oxford and Wheatley sites. Medivet further submitted that Iffley Vets began winding down its in-house OOH services following its acquisition by Medivet in November 2021 and ended these services in January 2022. After this date, Iffley Vets would direct requests for OOH services to Medivet 24 Hour Woodstock.⁸²
93. Medivet submitted that whilst the shift to Medivet 24 Hour Woodstock was prompted by the acquisition, changing OOH arrangements is a choice Iffley Vets may theoretically have taken absent the Merger and that it is commonplace for veterinary practices supplying Small Animal Services to review from time-to-time how best to provide OOH services to their customers.⁸³ However, evidence provided by Medivet supports that this change to OOH arrangements occurred as a result of acquisition of Iffley,⁸⁴ and Medivet did not provide any evidence to show it was unrelated to the Merger.
94. Given evidence that Iffley Vets ceased providing its own OOH services shortly after and as a result of its acquisition by Medivet, the CMA considers that, absent the

⁸¹ See, for example, [CMA129](#), paragraphs 2.2, 2.6, 2.10 and 2.14.

⁸² Parties' response to Section 109 Notice 8, 15 March 2023, paragraphs 8.1 and 9.2.

⁸³ Parties' response to Section 109 Notice 8, 15 March 2023, paragraph 9.4.

⁸⁴ Parties' response to Section 109 Notice 8, 15 March 2023, paragraph 9.3 and Annex H states; [redacted]; [Iffley Vets website](#) states; 'we're delighted to have joined the wider Medivet Community and will benefit from admin support and access to new facilities and specialities. We've devolved responsibility for our Out-of-Hours cover to the 24-hour facility in Woodstock' (accessed 20 April 2023).

Merger, it is realistic that Iffley Vets would have continued to offer Small Animal OOH Services itself. Therefore, the CMA considers that the appropriate counterfactual against which to assess Medivet's acquisition of Iffley Vets should include Iffley Vets continuing to offer Small Animal OOH Services to its registered customers.⁸⁵

Caddy Country

95. Caddy Country was acquired by Medivet on 11 August 2022. Medivet submitted that on 25 August 2022, Caddy Country announced on its Facebook page that the practice had been closed and that the team would continue serving customers at a different location, as part of the Medivet group.⁸⁶
96. Medivet submitted that absent Medivet's acquisition of Caddy Country, it would likely have been sold to a different buyer who would have likewise likely acquired only the Caddy Country business without the premises, or failing that, the practice would have been closed.⁸⁷ Specifically:
- (a) Medivet submitted that the [redacted] prompted the vendor to decide to sell Caddy Country, and that the [redacted].⁸⁸
 - (b) Medivet provided an internal Medivet document from the time the acquisition was being considered which states that the vendor [redacted], and that the vendor [redacted].⁸⁹
 - (c) Medivet submitted that the circumstances of the vendor and the internal document demonstrates that the sale of the business was highly likely absent the Merger.⁹⁰ Further, Medivet submitted that it is likely the acquisition to a different buyer would not have included the property, given [redacted].⁹¹
 - (d) Medivet submitted that there are four other third-party veterinary clinics within Caddy Country's catchment area and of these clinics, none would have been interested in acquiring Caddy Country because its site was not part of the

⁸⁵ Medivet did not make submissions in relation to the counterfactual for Iffley Vets in relation to the supply of Small Animal Services. As such, the CMA considers the most appropriate counterfactual is the prevailing conditions of competition.

⁸⁶ Parties' consolidated response to Section 109 Notice of 25 October 2022 (Enquiry Letter), paragraph 7.2.14.

⁸⁷ Parties' response to Section 109 Notice 8, 15 March 2023, Appendix 2 paragraph 9.

⁸⁸ Parties' submission to the CMA (exiting firms counterfactual), 27 April 2023, paragraph 4.5.

⁸⁹ Parties' submission to the CMA (exiting firms counterfactual), 27 April 2023, paragraph 4.6.

⁹⁰ Parties' response to Section 109 Notice of 25 October 2022 (Enquiry Letter), Annex N407.

⁹¹ Parties' response to Section 109 Notice 8, 15 March 2023, Appendix 2 paragraph 8.

Merger and without a nearby site in Randalstown, a significant number of Caddy Country's customers would likely not have followed the purchaser to another clinic in the catchment area.⁹²

97. In contrast to these submissions, the CMA received evidence that the vendor of Caddy Country had no intention of retiring in the near future. Specifically, the CMA received evidence that absent the Merger or the sale to an alternative purchaser, the vendor would have continued to operate the practice in at least the medium term.⁹³ On this basis, in addition to the evidence in internal documents provided by Medivet,⁹⁴ the CMA considers it realistic that absent the Merger, the vendor would have continued operating the practice as an independent veterinary practice.
98. In the alternative, (or following a period of the vendor retaining the business), whilst Medivet has not provided evidence on any alternative buyers, the CMA considers that it is realistic that an alternative, more competitive buyer could have purchased the site. Specifically, the CMA received evidence that the vendor considered at least one potential alternative purchaser, which would have continued to operate Caddy Country as an independent veterinary practice, around the time that the Merger was being contemplated.⁹⁵
99. Therefore, the CMA considers the most appropriate counterfactual regarding Caddy Country is one in that it will continue to assert a competitive constraint on Medivet (as per the pre-merger conditions of competition), either by continuing as an independent practice or being sold to an alternative, more competitive buyer than Medivet.

The Hollies

100. Medivet acquired the assets and business of The Hollies on 27 September 2021. The CMA understands that The Hollies practice closed on 23 September 2021. As part of this Merger, no property nor employees were transferred to Medivet. The only individuals at the practice at the time of the Merger were the vendors, both of whom left the business at that time. The lead vet and co-vendor subsequently

⁹² Parties' response to the Issues Letter (Issues Meeting presentation), 26 April 2023, slide 33.

⁹³ File note of call with a third party [§<], 27 April 2023.

⁹⁴ Parties' response to Section 109 Notice of 25 October 2022 (Enquiry Letter), Annexes N407, N423 (in which valuation is based on the vendor being employed for 3 years).

⁹⁵ File note of call with a third party [§<], 27 April 2023.

retired.⁹⁶ Medivet further submitted that [redacted], in anticipation of the vendors' retirement.⁹⁷

101. Medivet submitted that absent the acquisition, The Hollies (likely without the premises) would likely have been sold to a different buyer, or failing that, the practice would have been closed. In particular, Medivet submitted that:

- (a) According to the draft letter sent to The Hollies' customers, the vendor / lead vet had decided to retire as a result of increased demand and the added strain on their limited resources, making it unsustainable for The Hollies to continue.⁹⁸
- (b) The vendor / lead vet's [redacted].⁹⁹
- (c) Due to the size of the business (less than £300,000 annual turnover pre-Merger), no other buyer would have acquired and run the business on a continuing basis, and a different buyer would have likely only acquired the business and its assets as Medivet did.¹⁰⁰ Further, the property was in a condition far below the recommended RCVS levels and would have required significant capital expenditure to bring it up to standard, such that Medivet would not have considered buying the property.¹⁰¹

102. Based on evidence received by the CMA in addition to Medivet's submissions, the CMA is satisfied that there is compelling evidence that it is inevitable that The Hollies would have closed absent the Merger. In particular, the CMA received evidence that:

- (a) Due to the vendor / lead vet's health issues, which affected their ability to do surgeries, absent the sale to Medivet, The Hollies would have closed by the end of 2021.¹⁰²
- (b) The vendor / lead vet had attempted to hire assistance at the practice but was not successful.¹⁰³

⁹⁶ Parties' response to Section 109 Notice 2, 25 November 2022, paragraphs 4-6.

⁹⁷ Parties' response to Section 109 Notice 5, 31 January 2023, paragraph 6.6.

⁹⁸ Parties' response to Section 109 Notice 8, 15 March 2023, Annex F.

⁹⁹ Parties' submission to the CMA (exiting firms counterfactual), 27 April 2023, paragraph 5.4.

¹⁰⁰ Parties' response to Section 109 Notice 8, 15 March 2023, Appendix 2 Paragraph 10.

¹⁰¹ Parties' submission to the CMA (exiting firms counterfactual), 27 April 2023, paragraph 5.2(b).

¹⁰² File note of call with a third party [redacted] on 27 April 2023.

¹⁰³ File note of call with a third party [redacted] on 27 April 2023.

103. Further, the CMA is satisfied that there is compelling evidence that it is inevitable that, absent the Merger, there would not have been an alternative, less anti-competitive purchaser for The Hollies or the assets of The Hollies. In particular, the CMA received evidence that:
- (a) The vendor / lead vet had been attempting to sell The Hollies for three years, including through a veterinary agent, but received little interest.¹⁰⁴
 - (b) The premises of The Hollies were not up to RCVS standard and would require substantial work to be operational.¹⁰⁵
 - (c) After hiring a second veterinary agent, which took a number of steps to advertise the business, including advertising to independent vets and Corporate Groups, Medivet was the only realistic potential purchaser of The Hollies.¹⁰⁶
 - (d) There was one alternative buyer (a non-Corporate Group) considered, but that buyer had no prior experience operating a veterinary practice or similar business and did not have a vet employed to work at the practice.¹⁰⁷ The CMA accepts that based on the evidence, including the state of the premises described in sub-paragraph (b) above, it is not realistic that this alternative buyer would have operated the business as a veterinary practice.
104. The CMA considers that based on the evidence it has received, absent the Merger, it is inevitable that The Hollies would have exited the market for Small Animal Services and there would not have been an alternative, less anti-competitive purchaser for The Hollies or its assets.
105. Accordingly, the CMA considers that the relevant counterfactual in relation to The Hollies is a scenario where The Hollies would have closed absent the Merger. The CMA therefore does not consider that it is or may be the case that The Hollies Merger has resulted or may be expected to result in an SLC.¹⁰⁸

¹⁰⁴ File note of call with a third party [redacted] on 27 April 2023.

¹⁰⁵ Parties' submission to the CMA (exiting firms counterfactual), 27 April 2023, Annex 1.

¹⁰⁶ Parties' submission to the CMA (exiting firms counterfactual), 27 April 2023, paragraphs 5.6-5.9.

¹⁰⁷ Parties' submission to the CMA (exiting firms counterfactual), 27 April 2023, paragraph 5.9.

¹⁰⁸ The CMA has not considered The Hollies in its Competitive Assessment below. In addition, the CMA has not included The Hollies in its assessment of the Canine Healthcare Merger (in which The Hollies would otherwise be an overlapping site).

Barton / Medivet Ulceby

106. Medivet acquired Swanbeck Veterinary Centre in December 2021 as part of the Swanbridge Veterinary Group operating in Ulceby, North Lincolnshire. Since its acquisition, Medivet operated the practice as Medivet Ulceby. As set out above, Medivet acquired Barton in March 2022.
107. Medivet submitted that the decision to permanently close the Ulceby site would have been made absent the acquisition of any Target. Specifically, Medivet refers to the document titled 'Business Case – Closure of Medivet Ulceby'¹⁰⁹ which does not mention the closest Target (Barton) and shows that Medivet decided to permanently close Medivet Ulceby in March 2023 on the basis that:¹¹⁰
- (a) the site had been closed since September 2022 and [redacted];
 - (b) Medivet was unable to recruit in this region;
 - (c) when open, the practice [redacted]; and
 - (d) the population density of the surrounding area was too low to grow a client base for the site to be profitable.
108. Medivet further provided internal Medivet documents containing analysis which Medivet submits demonstrates that the Ulceby site was [redacted].¹¹¹
109. Medivet also submitted that Medivet's due diligence documents for the acquisition of Barton make no reference to closing Medivet Ulceby as part of the rationale for acquiring Barton. Specifically, an internal Medivet document refers to the nearest Medivet practices as Winterton and Brough, with no reference to Medivet Ulceby as a consideration.¹¹²
110. The CMA considers it realistic that Medivet's acquisition of Barton was, to some extent, taken into account in setting Medivet's commercial policy which resulted in the temporary, and later permanent, closure of the Medivet Ulceby site. In particular, the CMA notes that:

¹⁰⁹ Parties' response to Section 109 Notice 8, 15 March 2023, Annex D. The CMA notes that this document was produced on 6 January 2023 after the CMA started its investigation into the acquisition of Barton.

¹¹⁰ Parties' response to Section 109 Notice 8, 15 March 2023, paragraph 14.

¹¹¹ Parties' response to RFI, 11 April 2023, Annexes 5, 6 and 7.

¹¹² Parties' response to RFI, 11 April 2023, paragraph 3.3 and Parties' response to Section 109 Notice of 25 October 2022 (Enquiry Letter), Annex N275.

- (a) Medivet made the internal decision to temporarily close Ulceby in July 2022, just three months after acquiring Barton in March 2022. The proximity in timing of the decision suggests that it is realistic that the temporary closure was related to the Barton acquisition.
- (b) Medivet was not able to provide any evidence of it making sustained recruitment efforts in order to attract the necessary staff for the Ulceby site,¹¹³ which means the CMA cannot accept that Ulceby was failing at the time of closure; and
- (c) the extent of local competition and the proximity of other Medivet branches are typically material considerations in Medivet's assessments of potential acquisitions. As demonstrated in the acquisition documents for Barton, Ulceby was considered a local competitor to Barton.¹¹⁴

111. On this basis, the CMA considers that there is a realistic prospect that absent the Barton Merger, Medivet Ulceby would have continued to operate and compete as part of Medivet. In light of this, as part of the competitive assessment the CMA has considered the competitive constraint posed by Medivet Ulceby in August 2021, specifically in its competitive assessment of the Barton Merger.

112. Further, the CMA notes that the outcome of its competitive assessment regarding the Barton Merger set out at paragraph 183, the Barton Merger would raise competition concerns even if the CMA were to assess the Merger against a counterfactual in which Medivet Ulceby would have closed absent Medivet's acquisition of Barton.

FRAME OF REFERENCE

113. Market definition provides a framework for assessing the competitive effects of a merger and involves an element of judgement. The boundaries of the market do not determine the outcome of the analysis of the competitive effects of the merger, as it is recognised that there can be constraints on merging parties from outside the relevant market, segmentation within the relevant market, or other ways in which

¹¹³ Medivet submitted in the Parties' response to RFI, 11 April 2023, paragraph 1.4, that Medivet has no reason to believe that it would not have undertaken recruitment efforts, including advertising through social media, recruitment sites such as Indeed, industry press and working with recruitment agencies in relation to Medivet Ulceby. However, Medivet did not provide any supporting contemporaneous evidence of these recruitment efforts.

¹¹⁴ Parties' response to Section 109 Notice of 25 October 2022 (Enquiry Letter), Annex N275. In this document Medivet Ulceby is also referred to as Swanbeck Veterinary Centre.

some constraints are more important than others. The CMA will take these factors into account in its competitive assessment.¹¹⁵

114. Medivet overlaps with the Targets in relation to the supply of standard veterinary services to small animals and in relation to OOH small animal veterinary services provided on a business to consumer basis. Each of these overlaps are considered in turn below.

Product scope

Small animal veterinary services

115. Medivet and each of the Targets are active in the provision of veterinary services to small animals.¹¹⁶
116. Although each case is considered on its merits and past CMA decisions do not constitute binding precedents, the CMA has developed detailed knowledge of the veterinary industry and therefore the appropriate market definition in a number of recent cases.
117. In its recent decisions in *VetPartners/Goddard* and *IVC/Multiple*, when assessing the merging parties' overlapping activities in the supply of veterinary services to small animals, the CMA concluded that the following should be excluded from the product frame of reference:
- (a) veterinary services provided to farm and equine animals;
 - (b) charitable (as opposed to commercial) providers of veterinary services;
 - (c) sites offering only referral services (but including sites that offer first opinion and referral services to the extent that they provide first opinion services);
 - (d) specialist sites, such as vaccination only centres or practices that only provide veterinary services to a particular type of small animal;
 - (e) OOH services (provided at a practice or otherwise); and

¹¹⁵ [CMA129](#), paragraph 9.4.

¹¹⁶ 'Small animals' includes, but is not limited to, cats and dogs. The CMA understand that small animal sites will typically also serve 'exotic' animals (eg including but not limited to guinea pigs and rabbits). Small animals are distinct from farm and equine animals.

- (f) telemedicine services and home visit vets.¹¹⁷

Farm and equine animals

118. Medivet agreed that veterinary services provided to farm and equine animals should be excluded from the product frame of reference.¹¹⁸

Charitable providers of veterinary services

119. Medivet submitted that charitable providers can exercise a material constraint on commercial veterinary providers in certain circumstances.¹¹⁹ However, in its previous investigations, the CMA found that there was no evidence of any material customer overlap or competitive interaction between the commercial sites operated by the merging parties in those cases and those of charitable providers, including because (a) only customers who are eligible for particular income assistance are eligible to access the service of most charitable providers (excluding a large subset of potential customers), (b) charities contacted by the CMA submitted that charitable veterinary providers do not compete with commercial providers, and (c) there are differences in the business models of charities and commercial sites which would limit any competitive constraint from charitable providers.¹²⁰
120. Internal documents that the CMA has reviewed in the course of its current investigation support the conclusion that charities do not exert a material competitive constraint on Medivet. In particular, the CMA has found no reference to charitable practices in Medivet's competitor price monitoring documents, suggesting that charities have little influence in practice on the setting of Medivet's commercial strategy. Based on this, the CMA has not identified any reasons to deviate from the approach taken in previous cases.

Referral-only sites

121. Medivet submitted that sites that only offer referral services, including university animal teaching hospitals, can also exercise a competitive constraint on standard first opinion veterinary practices.¹²¹ However, the CMA notes that a referral-only centre is unlikely to be an alternative to consumers wishing to use a first opinion

¹¹⁷ [VetPartners/Goddard](#), paragraph 53; [IVC/Multiple](#) decision, paragraph 116.

¹¹⁸ Parties' response to RFI 1, 9 January 2023, paragraph 2.1.

¹¹⁹ Parties' response to RFI 1, 9 January 2023, paragraph 2.5-2.7. Parties' response to the Issues Letter (Issues Meeting presentation), 26 April 2023, slide 10.

¹²⁰ [VetPartners/Goddard](#), paragraph 58.

¹²¹ Parties' response to RFI 1, 9 January 2023, paragraph 2.8; Parties' response to the Issues Letter (Issues Meeting presentation), 26 April 2023, slide 10.

small animal veterinary service, as by their nature, referral-only centres for specialist care can only be used after visiting a first opinion service and obtaining a referral. Based on this, consistent with previous decisions, the CMA has excluded referral-only centres. The CMA recognises that some veterinary clinics offer both first opinion and certain referral services (ie mixed sites) and has included these in the competitive assessment.

Specialist sites

122. Medivet submitted that specialty sites (eg vaccination centres) can exercise a material constraint on traditional veterinary sites in certain circumstances.¹²² For example, (a) vaccinations are one of the most common types of treatment provided at first opinion practices, (b) certain sites may be specialised in treating a certain type of animal that can also be treated at traditional vet clinics. However, Medivet has not provided evidence to substantiate that this constraint is material. The CMA considers that there is limited demand-side substitutability between specialty sites and first opinion practices given the narrow range of services provided by speciality sites, and has therefore excluded these from the product frame of reference. The CMA has included sites that specialise in the treatment of a certain type of small animal (eg cat- or dog-only sites), though notes that these will only be an option to a subset of customers.

OOH services

123. Medivet submitted that it is unclear on what basis OOH services should be excluded from the relevant frame of reference, stating that “OOH sites can offer a wide range of services to patients”.¹²³ Consistent with previous decisions, the CMA does not consider that there can be material demand-side substitution between veterinary services provided during standard daytime hours and those provided outside of these hours, as (a) OOH is usually in response to a veterinary emergency, outside of standard small animal veterinary service hours, (b) OOH generally incur premium pricing for consultations and any callout charges,¹²⁴ and (c) the services offered typically differ (for example, first opinion sites may typically offer vaccinations, which would not typically be conducted OOH).¹²⁵ Based on this, the CMA considers that OOH forms a distinct product market to standard hours small animal services.

¹²² Parties' response to RFI 1, 9 January 2023, paragraph 2.9; Parties' response to the Issues Letter (Issues Meeting presentation), 26 April 2023, slide 10.

¹²³ Parties' response to RFI 1, 9 January 2023, paragraph 2.14.

¹²⁴ For example, see Parties' response to Section 109 Notice 7, 1 March 2023, paragraph 3.6.

¹²⁵ See [VetPartners/Goddard](#), paragraph 77.

Telemedicine services and home visit vets

124. Medivet submitted that telemedicine services, which were adopted during the COVID-19 pandemic, are expected to grow and exert increasing competitive pressure on usual in-person visits in certain circumstances. However, evidence reviewed by the CMA does not support the constraint from telemedicine. In particular, a market assessment undertaken by [redacted].¹²⁶ The CMA also reviewed evidence that suggests that veterinary clinics offer telemedicine as a complement to, rather than a substitute for, their in-person offerings. For example, [redacted].¹²⁷ Based on this, the CMA considers that telemedicine services should be excluded from the product frame of reference.
125. Medivet agrees that home visit vets should be excluded from the product frame of reference on the basis that these are predominantly a function of farm and equine animal care which, as stated in paragraph 118 above, Medivet agrees should be excluded from small animal veterinary services.¹²⁸

Conclusion on small animal veterinary services

126. On the basis of the evidence considered above and consistent with the CMA's conclusions in *VetPartners/Goddard* and *IVC/Multiple*, the CMA considers that, in relation to standard hour small animal veterinary services, the relevant product frame of reference is the provision of first opinion veterinary care to small animals, on a commercial basis, during daytime hours (**'Small Animal Services'**).

Small animal OOH services

127. Medivet overlaps with Caddy Country, Elizabeth Street, and Iffley Vets in the supply of OOH veterinary services to small animals provided on a business to consumer basis.¹²⁹
128. The *RCVS Code of Professional Conduct* states that all practicing vets must take steps to provide 24-hour emergency first aid and pain relief to animals.¹³⁰ The RCVS Practice Standards Scheme requires all sites to have arrangements in place

¹²⁶ Parties' response to Section 109 Notice of 25 October 2022 (Enquiry Letter), Annex N199, pp.117-118; Annex N424 (CVS 2021 annual report) also states that as the country moved out of the pandemic "demand for virtual interactions fell away".

¹²⁷ Parties' response to Section 109 Notice of 25 October 2022 (Enquiry Letter), Annex N463, slide 5.

¹²⁸ Parties' response to RFI 1, 9 January 2023, paragraph 2.13.

¹²⁹ Parties' response to Section 109 Notice 7, 1 March 2023, Annex C; Medivet response to s109 Notice (9) paragraph 1.1.

¹³⁰ [3. 24-hour emergency first aid and pain relief - Professionals \(rcvs.org.uk\)](https://www.rcvs.org.uk), updated 11 January 2023.

to provide OOH services. The RCVS appears to recognise the challenges that vets face in the provision of OOH services, including the unsociable hours and associated wellbeing issues involved, and so practices may provide OOH services to customers themselves by having a designated vet ‘on call’, may co-operate locally with shared agreements, or alternatively, may choose to outsource their obligations to a third party provider, if one is available in their local area. The guidance makes clear that a vet on duty should not unreasonably refuse to provide emergency first aid and pain relief to any animal of a species treated by the practice during normal working hours.¹³¹

129. The CMA understands from its previous investigation into the veterinary industry that a customer’s choice of which small animal OOH practice to use is largely based on proximity and that providers of OOH services compete to provide high quality services, low wait times and competitive prices.¹³²
130. As in the CMA’s previous investigation into the veterinary industry, the CMA has found that there are differences between providers in relation to the nature and level of OOH service they offer to their customers.¹³³ For example, some providers offer a greater level of service (eg a fully staffed veterinary hospital offering 24-hour care) with some exclusively supplying veterinary care on an OOH basis, while others may offer a more limited service, focussing on the provision of OOH care to registered customers (eg by having an individual ‘on call’ vet who attends some emergencies but may refer others to alternative nearby OOH services). The CMA has not identified a clear basis upon which the OOH services offered by individual practices should, for reasons of demand-side substitutability, be segmented further.
131. Consequently, the CMA considers that the appropriate product frame of reference is the supply of OOH veterinary services to small animals provided on a business to consumer basis by any small animal practice offering an OOH service (**‘Small Animal OOH Services’**).

Geographic scope

132. The CMA considers that for Small Animal Services, competition between individual sites occurs on a local basis. On the demand side, owners of small animals are generally only willing to travel a limited distance to use a veterinary site. This implies

¹³¹ [3. 24-hour emergency first aid and pain relief - Professionals \(rcvs.org.uk\)](#), updated 11 January 2023, in particular paragraphs 3.7-3.10 and 3.45-3.46.

¹³² [IVC/Multiple](#), paragraph 126.

¹³³ [IVC/Multiple](#), paragraphs 126-127.

that each veterinary site has a catchment area generating the majority of its business.¹³⁴ The CMA notes that in response to the CMA's third-party questionnaire, some respondents stated that they did not consider themselves geographically close enough to the Target or Medivet sites to be a direct competitor, indicating that geographical proximity is an important parameter of competition.

133. In the case of Small Animal OOH Services, the CMA understands that, again, competition takes place at a local level, and that proximity is likely to be a key factor in customers' decisions, given the emergency nature of the service. The CMA understands that the previous version of the RCVS Emergency Guidance specified that OOH services should be provided within a 25-minute drive time radius from the site, although the current version only refers to OOH services needing to be within a 'reasonable' travel distance of customers, which will depend on local conditions.¹³⁵
134. Medivet did not provide submissions on why the CMA should take a different approach in this case as compared to the recent precedents of *CVS/The Vet*, *VetPartners/Goddard* or *IVC/Multiple*.¹³⁶ The CMA has seen evidence from Medivet's internal documents that certain parameters of competition may be set at a broader than local level, for example, [X] and [X].¹³⁷ However, given that each of the Mergers relates to a single or small cluster of independent practices that operate only in local areas, it has not been necessary for the CMA to consider this further.
135. On this basis, and in accordance with its precedent, the CMA has assessed the impact of the Mergers in both product frames of reference on a local basis.

Conclusion on frame of reference

136. For the reasons set out above, the CMA has considered the impact of the Mergers in the following frames of reference on a local basis:
- (a) Small Animal Services for each of the Mergers;¹³⁸ and

¹³⁴ The methodology for identifying specific local catchment areas is set out in the Competitive Effects section below.

¹³⁵ [3. 24-hour emergency first aid and pain relief - Professionals \(rcvs.org.uk\)](#), updated 11 January 2023.

¹³⁶ Parties' consolidated response to Section 109 Notice of 25 October 2022 (Enquiry Letter), paragraphs 18.1-18.4.

¹³⁷ For example, Parties' response to Section 109 Notice of 25 October 2022 (Enquiry Letter), Annex N022, 'Pricing Steerco Presentation – 19 March 2020', sets out plans to align back of house fees across the entire Medivet group.

¹³⁸ Other than The Hollies Merger, which the CMA has not considered in its Competitive Assessment, as explained at paragraph 105 above.

- (b) Small Animal OOH Services for the Caddy Country, Elizabeth Street and Iffley Vets Mergers.

COMPETITIVE ASSESSMENT

Horizontal unilateral effects

137. Horizontal unilateral effects may arise when one firm merges with a competitor that previously provided a competitive constraint, allowing the merged firm profitably to raise prices or to degrade quality on its own and without needing to coordinate with its rivals.¹³⁹ Horizontal unilateral effects are more likely when the merging parties are close competitors. The CMA assessed whether it is or may be the case that the Merger has resulted, or may be expected to result, in an SLC in relation to horizontal unilateral effects in (a) Small Animal Services, and (b) Small Animal OOH Services.

Horizontal unilateral effects in the supply of Small Animal Services

138. The CMA assessed the likelihood of Medivet's acquisitions of the Targets listed in paragraph 1 resulting in unilateral effects in the supply of Small Animal Services.

Local area analysis

139. As competition between small animal veterinary practices, including those operated by Medivet and each of the Targets, takes place at the local level, the CMA has carried out a local area analysis to identify specific areas where any of the relevant Mergers give rise to a realistic prospect of an SLC.

Medivet's submissions

140. Medivet submitted that the use of a decision rule approach is inconsistent with the CMA's Merger Assessment Guidelines (**MAGs**), and past practice, and that the CMA should instead conduct a local market assessment for all 14 Mergers.¹⁴⁰ Specifically, Medivet submitted that what it asserted were the conditions for applying a filtering approach – let alone a decision rule approach – are not met for any of these Mergers, each of which is legally distinct (unlike *VetPartners/Goddard* and *CVS/Quality Pet Care*). Medivet noted that all but one of the 14 Mergers involve 15

¹³⁹ [CMA129](#), paragraph 4.1.

¹⁴⁰ Parties' response to the Issues Letter (Issues Meeting presentation), 26 April 2023, slides 15-16.

or fewer local markets, and that some of the Mergers only involve two or three local markets, which Medivet submitted is not a large number of overlaps.

141. Medivet further submitted that the decision rule used by the CMA fails to consider any factors ordinarily required as part of a local market assessment, such as (a) out-of-market constraints, including from sites falling just outside the catchment area; (b) the ease of customer switching; and (c) the low barriers to entry.

CMA assessment

142. The MAGs state that “where a filter has been applied and local areas remain for further consideration, there may be limited time available (or it may not be compatible with the efficient conduct of the CMA’s investigation) to conduct a detailed competitive assessment of a large number of local areas” and that “in some cases, [where] a filtering approach may not be capable of reducing the number of local areas under consideration to a sufficiently small number [...] the CMA may apply a ‘decision rule’ approach”.¹⁴¹
143. The CMA considers that, contrary to Medivet’s submissions, the above paragraphs of the MAGs do not specify that the only scenario in which the CMA would adopt a decision rule is one involving a very large number of local areas. Rather, they describe one example of when a decision rule may be appropriate. The CMA considers that, so long as the key parameters of competition at a local level can be reflected in a decision rule, a decision rule may be a preferable analytical approach in a number of different scenarios as:
- (a) It ensures all local areas of overlap are assessed systematically by reference to the same factors, rather than having regard to different factors in different local areas.¹⁴²
 - (b) Where a merger is one of a potentially large number of similar mergers that could be replicated across the sector in question, the systematic approach of a decision rule ensures consistency and replicability across cases.

¹⁴¹ [CMA129](#), paragraphs 4.32-4.34.

¹⁴² The CMA notes that where merger firms conduct a non-systematic review of competitive conditions in individual local areas (ie considering different factors in different areas), it may be difficult for the CMA to verify whether the material presented to it provides a balanced picture of each particular area, or whether it presents a partial view which is favourable to the interests of the merger firms. [CMA129](#), paragraph 4.33.

- (c) Where the CMA has not received evidence to support an assessment of competitive dynamics other than those reflected in the filter, a decision rule is likely to effectively reflect competitive conditions.
 - (d) It enables the CMA to conduct an efficient investigation, having regard to the limited time available within a Phase 1 investigation to carry out a detailed competitive assessment of a large number of local areas.
144. On this basis, the CMA may find it appropriate to use a decision rule approach reflecting the evidence it has gathered, even if the number of overlaps arising from a specific merger is not large.
145. In this case, there are 15 individual transactions, each of which is self-evidently one of a large number of mergers across the sector in question. In addition, the CMA has considered a number of recent acquisitions by other Corporate Groups in the sector.¹⁴³ Based on these past investigations, as well as the evidence received in this case, the CMA considers that the decision rule set out below effectively reflects competitive conditions, as explained in the sections below.¹⁴⁴
146. Based on this, consistent with the CMA's approach in *IVC/Multiple*, *VetPartners/Goddard*, and *CVS/The Vet*, and the CMA's published guidance,¹⁴⁵ the CMA considers that the appropriate approach to identifying those local areas in which there is a realistic prospect of an SLC at Phase 1 is to apply a decision rule reflecting the evidence the CMA has gathered on closeness of competition between the Parties, and other competitive constraints.
147. In order to assess the competitive impact of the Merger at a local level, the CMA has considered:
- (a) which sites should be included in the effective competitor set, and the extent to which services provided by entities falling outside of this effective competitor set impose any competitive constraint;

¹⁴³ In particular, [IVC/Multiple](#), [VetPartners/Goddard](#), and [CVS/The Vet](#).

¹⁴⁴ In response to Medivet's submissions in paragraph 141 above, the CMA considers out of market constraints in the section below, and considers barriers to entry and expansion in 'Barriers to entry and expansion' below. On the ease of customer switching, the CMA does not consider that the ease of customer switching is a factor that would change the approach to a local assessment, and is a typical feature of other markets where the CMA has used decision rules. For example, see [Bellis/Asda](#).

¹⁴⁵ [CMA129](#), paragraphs 4.26–4.35.

- (b) the appropriate catchment areas, and what other competing sites exist within those areas;
- (c) which measure underlying the shares of supply is most appropriate for use in the CMA's assessments, and any necessary adjustments; and
- (d) the appropriate threshold and increment for the combined share of supply above which (and in the absence of other evidence to the contrary) a realistic prospect of an SLC arises.

Effective competitor set

148. As described in the Frame of Reference section above, the CMA considers that the relevant competitor set (in relation to each of the Mergers under consideration in this section) consists of other commercial first opinion veterinary sites providing care to small animals during standard daytime hours.¹⁴⁶
149. The CMA does not consider that there are material out-of-market constraints in the supply of Small Animal Services. As described above in the section on product scope, the CMA is aware of veterinary sites that operate outside of this effective competitor set, eg charitable sites and home visit vets, but it does not consider these to be material out-of-market constraints.
150. As each Medivet acquisition of the Targets is a separate relevant merger situation, for the purposes of assessing the competitive effect of a merger where Targets overlap within a catchment area, the CMA has treated the overlapping Target as a Medivet site. That is, for the assessment of Target A for which Target B is within the catchment area, Target B is treated as a Medivet site.
151. Medivet's submissions on overlapping Target sites are set out in paragraph 90 above. In line with the CMA's approach to the Counterfactual as set out in paragraphs 87-91, for the purposes of its competitive assessment of Fitzalan House, the CMA has assessed Ferring Street as a Medivet site rather than an independent third-party competitor.

¹⁴⁶ The CMA has excluded speciality practices, referral-only sites, and home visit vets among others from its local analysis. Even if there were evidence supporting the inclusion of these sites in the effective competitor set, the CMA does not consider that this would affect the outcome of its local analysis given the limited presence of such sites in Medivet's and the Target's catchment areas.

Catchment areas

152. The CMA has identified the relevant local catchment areas in keeping with the approach set out in its Retail Mergers Commentary.¹⁴⁷
153. To derive the local catchment areas in its analysis, the CMA has considered the 80th percentile drivetimes based on customer location for all of the Target sites and the almost 200 Medivet small animal sites which could conceivably overlap (the **individual catchment areas**).^{148,149} This is consistent with the approach adopted in *CVS/The Vet*.¹⁵⁰
154. The CMA attempted to obtain local catchment area information using 80th percentile drivetimes based on revenues, consistent with the approach adopted in *VetPartners/Goddard*,¹⁵¹ and *IVC/Multiple*.¹⁵² However, Medivet submitted that it would not be able to provide this data in a reasonable time frame, including because a number of Medivet and Target sites had not been migrated to Medivet's database or do not have a full year of data, meaning a manual exercise of a number of different legacy systems would need to be undertaken.¹⁵³ Medivet additionally submitted some analysis on a population of [X]¹⁵⁴ for which customer and revenue information was readily available, which showed a very strong correlation ([X]) between catchment size based on customer location and revenue.¹⁵⁵ Given this exercise, the CMA considers using customer location data alone rather than also weighting by revenue is unlikely to materially alter the results of its analysis.

¹⁴⁷ Retail Mergers Commentary (CMA62), April 2017 ([CMA62](#)).

¹⁴⁸ Each site-specific catchment area represents the drivetime that encapsulates 80% of the site's customers by location. The CMA identified Medivet sites that conceivably overlapped with a Target site by using the largest site-specific Target Entity 80th percentile catchment area by customer location, plus a buffer of 5 minutes. The CMA notes this is a departure from [IVC/Multiple](#) and [VetPartners/Goddard](#), where the CMA used a drivetime of 30 minutes as a conceivable overlap. The CMA considered it reasonable to deviate from this 30 minute approach, as (i) the individual catchment for some sites was greater than 30 minutes, including The Vet Station site, which is an individual site and would therefore use its individual catchment, rather than an average, and (ii) in many instances, the 30 minute drivetime would have been well over double the individual catchment area, which Medivet submitted would be overly burdensome.

¹⁴⁹ Frontier calculated individual drivetimes by using ArcGIS Pro in the "Driving Time" mode.

¹⁵⁰ [CVS/The Vet](#), paragraph 110.

¹⁵¹ [VetPartners/Goddard](#), paragraph 126.

¹⁵² [IVC/Multiple](#), paragraph 145.

¹⁵³ Parties' submission to the CMA (Section 109 Notice 4 draft comments), 3 January 2023.

¹⁵⁴ The sampling methodology Medivet undertook to identify this population of Medivet sites involved (a) identifying Medivet sites between 5 and 10 minutes' drivetime beyond a Target Entity's estimated 80% customer catchment, (b) removing sites for which revenue data was not available on the Freedom database, (c) removing sites for which there was not a full year worth of data and/or had fewer than 100 customer observations within the Freedom database, and (d) removing sites which were 24 hour hospitals or referral centres.

¹⁵⁵ Parties' submission to the CMA (Revenue vs customer catchment test), 11 January 2023.

155. Separately, for each relevant Merger, the CMA has calculated simple averages, for Medivet and for the Target, of the individual catchment areas for each of the Medivet and Target sites which offer only Small Animal Services (**average catchment areas**).^{156, 157, 158} These average catchment areas have been used to define the local catchment areas for the Medivet and Target sites (including those sites supplying a mix of Small Animal Services and referral services).¹⁵⁹ This is consistent with the approach adopted in *IVC/Multiple*, *VetPartners/Goddard*, and *CVS/The Vet*.¹⁶⁰
156. Table 2 below shows the average 80th percentile drivetime catchment areas resulting from this approach.

¹⁵⁶ The CMA notes that Medivet was unable to provide 80th percentile customer location data based on first opinion services only. While the majority of the Target sites only provide first opinion services to small animals during standard hours, some sites offer other services, such as referral or OOH services, or provide services to other animals such as equine or farm animals. The CMA notes that the catchment areas for these mixed sites were in line with the catchment areas of other sites. This is similar for Medivet sites.

¹⁵⁷ The CMA excluded sites that offered referral services from its averages, consistent with the previous veterinary investigations mentioned.

¹⁵⁸ In cases where there was only a single relevant site, the CMA used the individual catchment area to define the relevant local catchment area.

¹⁵⁹ As an illustrative example, if Target A has two first opinion only sites (site 1 and site 2) and one site offering first opinion and referral services (site 3), a simple average is calculated using only site 1 and site 2. This average is then used as the catchment area for all sites, ie site 1, site 2 and site 3.

¹⁶⁰ [IVC/Multiple](#), paragraph 146; [VetPartners/Goddard](#), paragraph 130; and [CVS/The Vet](#), paragraphs 12-13. This also aligns with the approach adopted by the CMA in the analysis of mergers involving human healthcare. See for example: [National Fostering Agency / Outcomes First Group](#), paragraph 69; [FC Oval/Bupa](#), paragraph 43; [Cygnnet Health Care / Cambian](#), paragraph 5.115.

Table 2: Average drivetime catchment areas

Merger	Target sites (mins)	Medivet sites (mins)
All Creatures	[10-20] minutes	[10-20] minutes
Barton	[10-20] minutes	[10-20] minutes
Brockwell Vets	[10-20] minutes	[0-5] minutes
Caddy Country	[10-20] minutes	[10-20] minutes
Canine Healthcare	[0-5] minutes	[10-20] minutes
Elizabeth Street	[10-20] minutes	[10-20] minutes
Ferring Street	[0-5] minutes	[0-5] minutes
Fitzalan House	[0-5] minutes	[0-5] minutes
Iffley Vets	[10-20] minutes	[10-20] minutes
Oxford Cat Clinic	[10-20] minutes	[10-20] minutes
The Hackney Vet	[0-5] minutes	[0-5] minutes
The Vet Station ¹⁶¹	[30-40] minutes	[0-5] minutes
The Vet on Richmond Hill & St Margarets	[0-5] minutes	[10-20] minutes
Withy Grove	[10-20] minutes	[10-20] minutes

Source: CMA analysis of Parties' response to Section 109 Notice 4. Figures rounded to 1 decimal place.

Medivet's submissions

157. Medivet submitted that the CMA should use site-specific catchments rather than average catchments, as (a) average catchments do not reflect actual customer behaviour, (b) sites vary significantly in terms of their size and locations and therefore how far customers are willing to travel, and (c) under the CMA's approach, the same site can have a different catchment depending on the Merger despite its customer base remaining unchanged, which is a clear internal inconsistency.¹⁶²

CMA assessment

158. The CMA's usual approach when assessing local markets is to calculate an average catchment area and apply this catchment area to identify competitors.^{163,164} In particular, the use of an average catchment area allows the CMA to capture an "average willingness to travel" for veterinary services in a given local area, rather

¹⁶¹ The CMA notes that the catchment area for The Vet Station appears to be abnormally large, relative to the other Targets and Medivet site catchment areas. Medivet submitted that this is likely driven by [§<] and [§<], leading to customers travelling longer distances for [§<]. Parties' response to Section 109 Notice 4 (Supplementary response), 16 January 2023.

¹⁶² Parties' response to the Issues Letter (Issues Meeting presentation), 26 April 2023, slides 19-20.

¹⁶³ [CMA62](#), paragraph 2.21.

¹⁶⁴ Whether it is appropriate to define local areas with reference to average or individual catchment areas (or both) depends on the specific facts of a case and the industry within which the assessment relates. The CMA notes that in some cases it may even be appropriate to identify the catchment area (whether individual or average) producing the most conservative result (ie the highest combined shares of supply). See for example: [Cygnet Health Care/Cambian adult services division](#), 21 April 2017, paragraph 62.

than using individual catchments, which may reflect local competition instead of willingness to travel.¹⁶⁵

159. The CMA also considers that using averages would be more appropriate than individual catchment areas where there are data issues relating to the catchments. The CMA notes that the catchment areas provided by Medivet may include OOH and referral customers, as well as customers for farm and equine animals, where relevant. The inclusion of these customers may overstate the willingness to travel of Small Animal Services customers, as customers may be willing to travel further to access these more specialist services. By averaging across sites, the impact of these non-relevant customers to the assessment is minimised.
160. The CMA acknowledges that this approach results in the same site occasionally having a different catchment area across different Mergers but notes that this is consistent with the fact that the CMA is investigating each Medivet acquisition of the Targets as a separate relevant merger situation.

Measure of shares

161. In *CVS/The Vet*, *VetPartners/Goddard* and *IVC/Multiple*, the CMA used the number of FTE vets operating at a small animal site to calculate shares of supply within each of the catchment areas where the merging parties overlapped. Recognising that there is no single measure that can capture every aspect of competition in a market, the CMA considered the number of FTE vets serving the customers of a site to be reflective of the level of demand at that site, including when customers are selecting a veterinary provider for the first time, and its competitive strength.¹⁶⁶
162. Medivet agreed that the number of FTE vets is the most appropriate measure of competition available, and that FTE vets at least attempts to account for the variation in size and competitive strength of veterinary practices, in a way that site count does not.¹⁶⁷ The CMA has not identified any reasons to deviate from the approach taken in *CVS/The Vet*, *VetPartners/Goddard* and *IVC/Multiple*. On this basis, and in the context of a Phase 1 investigation, the CMA considers the number

¹⁶⁵ For example, if there are many vets in a local area, customers do not need to travel far. [CMA62](#), Paragraph 2.22.

¹⁶⁶ Given the identified number of FTE vets at each of the sites within a catchment area, the CMA's analysis applies an equal weighting to each site. While there may be a basis for applying different weights to different types of practices (eg hubs, spokes or sites owned by Corporate Groups), the CMA does not consider that it has sufficient evidence to conclude that weighting these sites differently is appropriate.

¹⁶⁷ Parties' consolidated response to Section 109 Notice of 25 October 2022 (Enquiry Letter), paragraph 11.4.

of FTE vets at a small animal site to be the most appropriate measure on which shares of supply can be assessed in the present case.^{168, 169}

163. For both Target and Medivet sites, Medivet submitted FTE data based on internally sourced information on the number of veterinary surgeon contracted hours by clinic based on data from December 2022, equated to an FTE figure assuming a 40-hour working week.^{170, 171} For third parties, the CMA received FTE data directly from almost two thirds of the third party veterinary sites. For the third-party sites from which the CMA was unable to gather data directly, the CMA has relied on the FTE estimates submitted by Medivet, with some adjustments as described further below.¹⁷²
164. Medivet submitted that these estimates provide a proxy for FTEs, but are not likely to be an accurate estimate of Small Animal Services FTEs in many cases. In particular, the figures reflect number of vets rather than FTEs; some vets may work across multiple clinics within a corporate group and so will be double-counted; and some clinics will either treat other types of animal as well as small animals, or provide other services beyond first opinion.¹⁷³ The CMA notes that these issues would all tend to result in overestimation rather than underestimation of Small Animal Services FTE figures.

¹⁶⁸ In particular, the FTE measure should be the number of FTE providing first opinion services only.

¹⁶⁹ The CMA notes that in [CVS/The Vet](#), [VetPartners/Goddard](#) and [IVC/Multiple](#), the CMA found a strong correlation between the FTE vets and revenues for the relevant Parties' small animal sites. Consistent with previous findings, Medivet also submitted that for sites for which there are contracted vets, the implied FTE measure (using a revenue extrapolation) is a strong predictor of actual FTEs, with a correlation coefficient of 0.86 (Parties' response to Section 109 Notice 6, 28 February 2023). See also [CVS/The Vet](#), paragraph 139, [VetPartners/Goddard](#), paragraph 125, and [IVC/Multiple](#), paragraph 153.

¹⁷⁰ Parties' response to Section 109 Notice 6 (Supplementary response), 28 February 2023. Where a Medivet site does not have any contracted vets ([<]) yet is still generating material revenue, Medivet submitted that it is a reasonable assumption that many of these sites would generally be more reliant on locums and zero hours vets working there regularly for longer periods in place of permanent vets. For these sites that do not have any contracted vets, an FTE figure has been estimated using the site's revenue and a ratio of revenue per FTE ([<]), based on the population of Medivet clinics where both revenue and contracted hours data is available.

¹⁷¹ Where a Target site has closed since the Merger and had zero FTE in December 2022, the CMA instead used the FTE figure for that Site at the time of acquisition instead.

¹⁷² These estimates were obtained by web scraping the RCVS website in December 2022, which provides information on the staff recorded as working at each clinic and their qualifications. Where information on the staff from RCVS was not available, Medivet applied the average figure for all third-party sites for which information was available on the RCVS website. See Parties' response to Section 109 Notice 6 (Supplementary response), 28 February 2023.

¹⁷³ Parties' consolidated response to Section 109 Notice of 25 October 2022 (Enquiry Letter), paragraph 31.20

Adjustments

165. The CMA compared Medivet's third-party FTE estimates to the actual first opinion FTE information obtained from third parties. The CMA found that the FTE estimates provided by Medivet consistently overstated the actual first opinion FTE figure for third parties. Given this, where the CMA has relied on Medivet's FTE estimates for third parties (ie where the CMA was not able to obtain this information directly), the CMA has considered it appropriate to make the following adjustments:¹⁷⁴
- (a) The CMA applied a multiplier of 0.64 to Medivet's estimates, which corresponds to the average amount the CMA has found Medivet overestimated independent sites for which it was able to find RCVS information relative to the actual information the CMA obtained.¹⁷⁵
 - (b) Where Medivet applied the average figure for all third-party sites for which information was available on the RCVS website to sites for which RCVS information was not available, the CMA replaced this FTE with the average actual FTE for the independent sites for which RCVS information was not found but for which the CMA received information (0.8FTE).
166. The CMA notes that these adjustments are broadly consistent with Medivet's submissions regarding issues with the RCVS estimates noted above. In particular:
- (a) Medivet submitted that it has over [X] contracted vets in total, with a vet FTE of over [X].¹⁷⁶ This indicates a multiplier of [X] should be used to convert from number of vets to FTE. Medivet agrees with this adjustment to reflect part time working.¹⁷⁷
 - (b) Based on the responses from independents, FTE dedicated to Small Animal Services on average accounted for 77% of the total FTE (which may have also

¹⁷⁴ The CMA notes that an inspection of the sites listed by Medivet as competitors included some sites which do not appear to provide Small Animal Services (or are closed), including for example Claredon Equine, Coutant Private Veterinarian, Felcana, Greenway Veterinary Acupuncture, Helican Heights LLP, Mayhew, Natural Medicine Veterinary Centre, Pet Health & Therapy Centre, Tiggywinkles Wildlife Hospital, U K Clone Canine Artificial Insemination, Vets Now Middlesbrough, and Wood Green Animal Shelter. These sites represent 1.85% of the third parties in the dataset. Due to the time limitations of a Phase 1 investigation, the CMA has kept these providers in the competitor set but notes that this may lead to the Parties' share being underestimated.

¹⁷⁵ The CMA notes that Medivet consistently overestimated the FTE for Corporate Groups as well as independent sites, however the CMA received information directly from all the Corporate Groups on their sites, and so has focussed on the overestimation of independent sites.

¹⁷⁶ Parties' submission to the CMA (Locums and zero hours vets), 7 March 2023.

¹⁷⁷ Parties' response to the Issues Letter (Issues Meeting presentation), 26 April 2023, slide 21.

included OOH, referral and any other services offered to other animal types such as equine or farm animals).

- (c) Combining these two adjustments gives an adjustment figure of 0.69, which is close to the average amount by which Medivet has overestimated third-party FTE.¹⁷⁸

Medivet's submissions

167. Medivet submitted that while it agrees with making adjustments to the third-party FTE estimates, the CMA should:¹⁷⁹

- (a) control for expected variation in operating models by applying (i) a specific first opinion-only adjustment and (ii) a mixed-site specific adjustment. Medivet submitted that the CMA's approach understates the FTE of sites that only provide first opinion services, and creates the biggest bias in urban areas such as London, where circa 85% of independents only provide first opinion services; and
- (b) apply an average FTE assumption using the total population of the independents that responded to the CMA, rather than only those for which there was no information on the number of vets on the RCVS website.

CMA assessment

168. The CMA notes that in principle, it agrees with Medivet's submission that controlling for mixed sites may be appropriate.¹⁸⁰ However, in this case, the CMA notes:

- (a) Medivet has overestimated the FTE of both first opinion-only sites and mixed sites to a material degree.
- (b) The CMA does not have confidence that Medivet has accurately identified third-party mixed sites versus first opinion-only sites. In particular, for sites in which the CMA did receive third-party data, Medivet incorrectly identified a first opinion-only site as being a mixed site or vice versa in 22% of instances, and identified at least one service incorrectly in 35% of instances. Applying such an

¹⁷⁸ This does not address the issue noted by Medivet that some vets may work across multiple clinics within a Corporate Group, but the CMA has focused on the overestimation of independent sites as it received information directly from Corporate Groups.

¹⁷⁹ Parties' response to the Issues Letter (Issues Meeting presentation), 26 April 2023, slide 21.

¹⁸⁰ For example, in [IVC/Multiple](#), paragraph 155, for third-party FTE estimates, IVC excluded any vet specialists and adjusted the number of FTEs for sites treating other types of animals.

adjustment given the potential inaccuracies of Medivet's estimates of third-party information would therefore be introducing false precision.

- (c) To employ a more granular approach, the CMA would need to rely on fewer responses to calculate adjustments. The CMA notes that for all independent mixed sites, these adjustments would be made based on just seven observations.

169. In relation to the average FTE applied, the CMA notes that there was a material difference between the FTE of sites for which RCVS information was found, versus sites for which no RCVS information was found. Given this, notwithstanding Medivet's submissions that it itself does not submit information on the number of vets to RCVS, the CMA considers it appropriate to apply an average FTE for all independent third-party sites for which RCVS information was not found.

170. In any case, the evidence available to the CMA in this case indicates that such adjustments would be unlikely to make a meaningful difference to the outcome of the CMA's competitive assessments.

Locums and zero-hour vets

171. The FTE information submitted by Medivet excludes any locum or zero-hour vets used by any of Medivet,¹⁸¹ Target or third-party sites. The CMA understands that practices may use locums or zero-hour vets on a short-term basis to fill staffing gaps (eg parental leave, sick leave), or on a more medium- or long-term basis where the site is having difficulty filling a vacancy.¹⁸² Medivet further submitted that supply of locums and zero hours veterinary surgeons is very competitive, and these individuals will often work across multiple third-party veterinary clinics, that there is typically a high churn rate across the industry, and that FTEs based on contracted veterinary surgeons is a more appropriate measure than trying to include locums. The CMA considers that where locums or zero-hour vets are used on a more than short-term basis, they should be included in the vet FTE figures, as they indicate the overall level of competitive constraint a site poses.

¹⁸¹ As discussed in footnote 195 above, where a Medivet site had zero contracted vets but a positive revenue, a revenue extrapolation method was undertaken to obtain FTE information, as Medivet submitted locums are likely used on a more permanent basis in this case.

¹⁸² Parties' consolidated response to Section 109 Notice of 25 October 2022 (Enquiry Letter), paragraph 31.10.

172. In view of this, and in line with *IVC/Multiple*,¹⁸³ the CMA attempted to obtain information on the number of FTEs both including and excluding locums.¹⁸⁴
173. The CMA notes it was unable to obtain this information from Medivet, and Medivet did not include locums and zero-hour vets in the third-party estimates based on RCVS information. Based on this, the CMA has excluded locums from its analysis. The CMA notes that while it cannot exclude that Medivet systematically uses locums and zero-hour vets more frequently than other Corporate Groups and independents,¹⁸⁵ the information the CMA has received from third parties indicates that other Corporate Groups and independents appear to use locum and zero-hour vets to varying degrees.
174. The CMA therefore considers that it is unclear to what extent, if any, this approach overstates the competitive strength of third parties.

Threshold

175. In *IVC/Multiple*, *VetPartners/Goddard* and *CVS/The Vet*, the CMA considered a threshold of 30% to be appropriate based on the facts of the case and broadly consistent with the CMA's prior practice.¹⁸⁶

Medivet's submissions

176. Medivet submitted that a 30% threshold would be inappropriately conservative.¹⁸⁷ Medivet also submitted that:
- (a) The CMA has investigated the sector almost continuously for over 18 months, through various Phase 1 investigations, and yet is not able to call on existing research, such as consumer surveys.
 - (b) There are numerous competitor sites falling just outside the CMA's defined catchment areas.

¹⁸³ See [IVC/Multiple](#), paragraphs 160-163.

¹⁸⁴ Parties' response to Section 109 Notice 6 (Supplementary response), 28 February 2023. The CMA notes that no third parties (including both independents and Corporate Groups) who responded to the CMA's questionnaire raised issues on responding to this request, while Medivet submitted that it does not have ready access to information on the number of locums and zero hours vet FTEs working at its vet practices, and would face significant difficulties in obtaining this information.

¹⁸⁵ Parties' submission to the CMA (Locums and zero hours vets), 7 March 2023. Medivet submitted that [redacted], but did not provide any evidence in support of this submission.

¹⁸⁶ For more details, see [VetPartners/Goddard](#), paragraph 168, [CVS/The Vet](#), paragraph 144, and [IVC/Multiple](#), paragraph 164.

¹⁸⁷ Parties' response to the Issues Letter (Issues Meeting presentation), 26 April 2023, slide 2.

- (c) Its submissions to the CMA have been good faith efforts to calculate competitor data and the CMA has applied extremely (and in Medivet's view erroneously) conservative adjustments.

CMA assessment

177. The CMA has not seen any evidence that would support the adoption of a higher threshold for its assessment than in previous vet cases, nor did Medivet substantiate its submissions in this regard. Therefore, the CMA considers that a threshold of a 30% combined share calculated on the basis of practices' FTE vets data is appropriate for the identification of areas in which there is a realistic prospect of an SLC.
178. In particular, the CMA notes that:
- (a) A starting point of 30% to assess competition concerns is broadly consistent with the CMA's prior practice, with higher thresholds typically having been used in cases where significant evidence or analysis was available to support such a position and/or there was evidence of material out-of-market constraints.
 - (b) As in previous cases, the CMA is not able to call on existing research into the veterinary sector, such as consumer surveys, to inform the CMA's understanding on the nature of competition. The CMA notes that it is typically unable to commission bespoke consumer research within the confines of a Phase 1 investigation.
 - (c) As set out in the Frame of Reference section, the CMA considers there are limited out-of-market constraints with respect to the provision of Small Animal Services, including from different types of veterinary sites. With regards to constraints from vets just outside of the catchment area, the CMA considers that in all local area analyses there is the potential for competitors located outside the catchment area to exert some competitive constraint, and that this is not a feature specific to this investigation that would provide a basis for setting a higher threshold.
 - (d) A threshold of 30% is appropriate to account for the potential for the FTE vet data – in particular, the exclusion of locums, and the inclusion of potential non-competitors¹⁸⁸ – to overstate the competitive strength of some third-party

¹⁸⁸ As explained in footnote 167.

sites (and understate the competitive strength of the Parties), as explained above.¹⁸⁹

Increment

179. In some past cases in different sectors, the CMA identified areas where the merger may give rise to competition concerns by identifying areas exceeding both a combined share threshold and an increment threshold of 5%.¹⁹⁰ In both *CVS/The Vet* and *VetPartners/Goddard*, the increment to the share of supply arising as a result of the merger exceeded 5% for all of the local areas of relevance. In *IVC/Multiple*, the CMA did not consider an increment threshold of 5% to be necessary to identify areas in which there is a realistic prospect of an SLC.

180. Medivet has not made particular submissions on this point. The CMA notes that the Target increment to the share of supply arising as a result of each of the Mergers exceeds 5% for all of the Mergers where the Parties' combined share exceeded 30%. As such, it has not been necessary for the CMA to consider whether an increment threshold of 5% should be applied.

Outcome of local analysis

181. Based on the methodology set out above, the CMA estimated that Medivet and the Targets (as relevant) have a combined share of supply of Small Animal Services above 30% for each of the Mergers set out in Table 3 below.¹⁹¹

Table 3: Summarised combined shares of supply in Small Animal Services

Merger	Highest combined share (by FTE vets)
All Creatures	[60-70]%
Barton	[50-60]%
Brockwell Vets	[50-60]%
Caddy Country	[90-100]%
Elizabeth Street	[60-70]%
Ferring Street	[40-50]%
Fitzalan House	[40-50]%
Iffley Vets	[40-50]%
The Hackney Vet	[90-100]%

¹⁸⁹ The CMA has explained in the sections above why it has considered it appropriate to make adjustments to Medivet's data, and why it has some concerns about the precision of Medivet's estimates.

¹⁹⁰ See for example: [CMA62](#), paragraph 3.37(a); [Tarmac Trading Limited/Breedon Group plc](#) Decision; and [Bellis Acquisition Company Limited/Asda Group Limited](#) Decision, paragraph 157(c).

¹⁹¹ The CMA estimated that Medivet and the Targets (as relevant) have a combined share of supply of Small Animal Services below 30% for each of the Canine Healthcare and Withy Grove Mergers.

Oxford Cat Clinic	[50-60]%
The Vet Station	[30-40]%
The Vet on Richmond Hill & St Margarets	[50-60]%

Source: CMA analysis.

182. A full and detailed list of the Medivet and Target sites that raise competition concerns is included in **Annex A**.

Conclusion on horizontal unilateral effects in the supply of Small Animal Services

183. For the reasons set out above, in relation to horizontal unilateral effects in the supply of Small Animal Veterinary Services:

- (a) the CMA considers that there is a realistic prospect of an SLC arising from the 12 Mergers set out in Table 3, in the 34 catchment areas listed in Annex A; and
- (b) the CMA does not consider there is a realistic prospect of an SLC arising from either the Canine Healthcare or Withy Grove Mergers. As explained in paragraph 105, the CMA has not assessed whether there is a realistic prospect of an SLC arising from The Hollies Merger.

Horizontal unilateral effects in the supply of Small Animal OOH Services

184. The CMA assessed the likelihood of Medivet's acquisitions of Caddy Country, Elizabeth Street, and Iffley Vets (together, the **OOH Targets**) resulting in unilateral effects in the supply of Small Animal OOH Services. Given that competition between small animal OOH veterinary practices, including those operated by Medivet and the OOH Targets takes place at the local level, the CMA has carried out a local area analysis to identify specific areas where the Mergers give rise to a realistic prospect of an SLC.

185. The CMA notes that due to the limited data available, the CMA has adopted a cautious approach in its assessment.¹⁹² For this reason, while it may be appropriate to use a decision rule approach in relation to the provision of Small Animal OOH

¹⁹² There were difficulties in obtaining sufficient data to identify the appropriate catchment area for the provision of Small Animal OOH Services. In particular, the CMA notes that Medivet was unable to separately identify the OOH customers of a site from its first opinion customers for the Target sites. As a result, it has not been possible to calculate catchment areas (such as the 80th percentile drivetime catchment areas described at paragraph 156) on an OOH-only basis. Additionally, Medivet was unable to provide OOH-only FTE estimates for third parties, which the CMA would have had to rely on to an extent.

Services in other cases (particularly when more reliable share of supply data is available), this approach has not been adopted in the present cases.

186. The CMA followed a number of steps in carrying out the local competitive assessments, in particular:
- (a) an assessment of the nature of competition for Small Animal OOH Services;
 - (b) the identification of overlaps and the delineation of catchment areas for specific sites;
 - (c) the calculation of shares of supply within the relevant catchment areas;
 - (d) filtering to exclude from further analysis the overlap sites/areas where there is no realistic prospect of competition concerns arising; and
 - (e) a local competitive assessment of sites/areas which fail these filters.

Competition between suppliers of Small Animal OOH Services

187. As set out in the Frame of Reference section, the RCVS Code of Conduct requires all small animal veterinary sites to take steps to provide OOH care to their customers. Additionally, the Code of Conduct requires small animal veterinary practices to provide OOH care to the customers of other practices (ie non-registered customers) in certain specified circumstances.
188. The CMA understands that a number of suppliers choose to outsource their OOH obligations for the reasons set out at paragraph 128 above. As a result, there are generally fewer suppliers of Small Animal OOH Services as compared to suppliers of Small Animal Services in a given local area.
189. Given the differences the CMA has observed in the Small Animal OOH Services offered by different suppliers (see Frame of Reference section above), the CMA has considered the extent and nature of competition in the supply of Small Animal OOH Services, including in the local areas where Medivet and the OOH Targets overlap.

Medivet's submissions

190. Medivet submitted that there is a clear distinction between OOH services provided at sites, eg ranging from a vet making themselves available OOH to answer calls

from own customers only,¹⁹³ and 24/7 hospitals providing emergency care to their own and third party customers.¹⁹⁴ Therefore, for the former, there is no clear distinction from first opinion services and there is no separate competition for OOH services in these circumstances.¹⁹⁵

CMA assessment

191. The CMA agrees that as in Small Animal Services, the nature of the supply of OOH services to customers appears to vary. However, the CMA notes that customers may choose a small animal OOH veterinary service directly rather than relying on their standard hours practice, and therefore may make a choice between different suppliers in a local area. The CMA also notes that as explained in the Frame of Reference section and paragraph 187 above, the RCVS Code of Conduct requires small animal veterinary practices to provide OOH care to the customers of other practices (ie non-registered customers) in certain specified circumstances.
192. The commercial strategies of different suppliers may vary, with some suppliers focussing on offering an OOH service to their registered standard hours customers. Ultimately, however, the CMA considers that competition does take place between different OOH services for customers outside of the competition that takes place for Small Animal Services. On this basis, CMA has considered the alternative approaches to offering OOH services as part of the process of rivalry between suppliers in the provision of OOH services (ie in suppliers seeking to attract and retain customers through their preferred commercial strategies).¹⁹⁶
193. The CMA considers that the available evidence above and in the local assessment below in relation to competition between providers of OOH services indicates that Medivet and the OOH Targets do compete, and therefore that the loss of competition between them (subject to the constraint posed by alternative suppliers) is, in principle, capable of being substantial for the purposes of the Act.

Identifying overlaps and delineation of catchment areas

194. As explained at paragraphs 158-160, for Small Animal Services the CMA derived catchment areas using the 80th percentile drivetimes based on customer location for

¹⁹³ Iffley Vets and Caddy Country provided OOH services on this basis.

¹⁹⁴ Parties' response to the Issues Letter (Issues Meeting presentation), 26 April 2023, slide 23.

¹⁹⁵ Parties' response to the Issues letter (annotated issues letter), 26 April 2023, paragraph 119.

¹⁹⁶ For example, price increases or deteriorations in the non-price aspects of a supplier's OOH service (eg a negative experience) may cause some customers to register with a different first opinion practice (with a more competitive OOH service).

all Target sites and all conceivably overlapping Medivet sites. The CMA considers that a similar approach may be appropriate in the case of OOH veterinary services. However, in this case Medivet was unable to provide catchment area information on the OOH Targets and some Medivet sites based on OOH customers only. Medivet was able to provide catchment area information for OOH customers only on some of its 24-hour centres, which offer Small Animal OOH Services.¹⁹⁷ The average OOH catchment drivetime based on these Medivet sites was [redacted] minutes.¹⁹⁸ The CMA notes that in *IVC/Multiple*, the CMA used a drivetime of 33 and 45 minutes respectively as the catchment area for OOH services.¹⁹⁹

Medivet's submissions

195. Medivet submitted that customers in general would be likely to travel further for OOH services than for Small Animal Services, given (a) many small animal sites do not provide OOH services in-house, and (b) the urgent and non-discretionary nature of OOH services, which are usually used in emergencies.²⁰⁰ However, Medivet also submitted that where a site provides OOH services in-house and does not provide business-to-business (**B2B**) OOH services, it is likely that the catchment size will be similar to its Small Animal Services catchment, and that the CMA should in these instances use the site-specific Small Animal Services catchment.

CMA assessment

196. Based on the available evidence, the CMA has taken the following approach for the catchments of OOH sites:

¹⁹⁷ Parties' response to Section 109 Notice 7, 1 March 2023, Parties' response to Section 109 Notice 9, 10 March 2023. Medivet provided information on 10 OOH sites that have a Target site within its catchment. Medivet was unable to isolate OOH-only customers for one Medivet site, and for the OOH Targets. Catchment sizes have been calculated based on the 80th percentile using customer locations for customers that received OOH's services (i.e. defined as any sale between the hours of 7pm and 8am).

¹⁹⁸ As in the assessment for Small Animal Services, Medivet submitted that the CMA should use site-specific catchments rather than average catchments. However, as explained in paragraphs 158-160, the CMA considers it appropriate to use average catchments.

¹⁹⁹ [IVC/Multiple](#), paragraphs 223-226. The CMA notes that in *IVC/Multiple*, IVC submitted that the geographic area for Small Animal OOH Services is generally considered to be within a 45-minute drivetime of the provider (although no underlying evidence was provided to support this position). In the previous case, the CMA also received the 80th percentile drivetimes for two nearby Vets Now sites of interest which exclusively offer OOH veterinary services, and 33 minutes was the midpoint between the two individual catchments. In this case, the CMA was able to obtain more comprehensive OOH catchment areas directly from Medivet, in order to use more precise data.

²⁰⁰ Parties' response to Section 109 Notice 7, 1 March 2023 (OOH), paragraphs 3.12-3.13.

- (a) for Caddy Country, which provided in-house OOH services to its registered customers only, the CMA used the site-specific catchment used for Small Animal Services, resulting in no overlap between the Target and Medivet;
- (b) for Medivet Ballymena Grove Road, which provided OOH services to all Medivet customers, the CMA considered that it should use a larger catchment than that used for Small Animal Services, reflecting that customers are potentially travelling longer distances to this site to obtain OOH services.²⁰¹ Accordingly, the CMA applied the average OOH catchment of [X] minutes for this site, resulting in an overlap between Medivet and Caddy Country;
- (c) for Elizabeth Street, which offers 24-hour emergency services to both registered and non-registered customers, and offers B2B OOH services, the CMA used the average OOH catchment of [X] minutes, resulting in an overlap between the Target and Medivet;
- (d) for the Medivet sites near Elizabeth Street (Camberwell, Richmond, Kensington and Hendon), all of which offer 24-hour emergency services to both registered and non-registered customers, and offer B2B OOH services, the CMA used the average OOH catchment of [X] minutes, resulting in overlaps between Elizabeth Street and Medivet Camberwell, Richmond and Kensington;
- (e) for Iffley Vets Oxford, which prior to the Merger provided OOH services to customers registered with both Iffley Vets Oxford and Iffley Vets Wheatley (which are 18 minutes away from each other), the CMA considered that it should use a larger catchment than that used for Small Animal Services,²⁰² reflecting that customers (particularly customers registered to the Wheatley site) are potentially travelling longer distances to this site to obtain OOH services. Accordingly, the CMA applied the average OOH catchment of [X] minutes for this Site, resulting in an overlap between the Target and Medivet; and
- (f) for Medivet 24 Hour Woodstock, which offers 24-hour emergency services to both registered and non-registered customers, the CMA used the average

²⁰¹ The site-specific catchment for all customers for this Site is [X] minutes. The CMA notes that Medivet Randalstown is 14 minutes away, and Medivet Lurgan William Street is 40 minutes away.

²⁰² The site-specific catchment for all customers for this Site is [X] minutes. The CMA notes that using the site-specific catchment for this site would not capture any competitors.

OOH catchment of [30] minutes, resulting in an overlap between Medivet and Iffley Vets.

197. On the basis of the catchment areas identified above, the OOH Target Mergers give rise to overlaps with Medivet in the provision of Small Animal OOH Services in seven local areas.

Calculation of shares of supply

198. The CMA has considered which available measure of share most reliably captures the strength of the competitive constraint imposed by each supplier in the provision of Small Animal OOH Services within each relevant catchment area.

Medivet's submissions

199. Medivet submitted that as OOH sites vary significantly in terms of their operating models and sizes, a simple 'site count' is not indicative of capacity to serve demand in the local area.²⁰³

CMA assessment

200. In line with its approach to Small Animal Services, the CMA attempted to use the number of FTE vets being used for small animal OOH services at a site to calculate shares of supply within each of the catchment areas where the OOH Targets and Medivet overlapped.²⁰⁴
201. Medivet provided FTE information on OOH on a similar basis to Small Animal Services (set out in paragraph 163). Medivet submitted that the information on the nature of services offered by third-party practices is not recorded in any systematic, consistent and accurate way across the market via publicly available sources, leading to Medivet drawing on approximations and assumptions, and submitting that caveats are likely to apply to the accuracy of the information Medivet provided on third parties.²⁰⁵ The CMA received FTE data directly from just under half of the third-party sites.²⁰⁶

²⁰³ Parties' response to the Issues Letter (Issues Meeting presentation), 26 April 2023, slide 23.

²⁰⁴ Parties' response to the Issues Letter (Issues Meeting presentation), 26 April 2023, slide 84. Medivet referenced the superiority of using shares of supply based on FTE over those computed using a 'share of sites' approach.

²⁰⁵ Parties' response to Section 109 Notice 7, 1 March 2023 (OOH), paragraph 4.3.

²⁰⁶ For further information on response rates by each Merger, see Table 4 below. The CMA notes that this figure relates to all third parties from which the CMA received a response, while the figures in Table 4 relate to only the third parties included in each local area analysis based on the customer catchment.

202. The CMA notes that consistent with Medivet’s own acknowledgements about the potential limitations of its information, the CMA has considerable reservations about the information submitted by Medivet, which more materially overestimates FTE data for OOH compared to Small Animal Services, and in many cases uses an average figure applied, which is the same as that used for Small Animal Services.
203. The CMA has therefore used a share of sites measure as an alternative measure of shares of supply. The CMA notes that, compared to an FTE measure, using a share of sites measure may understate the competitive strength of certain OOH service providers that offer a greater level of service, eg a fully staffed veterinary hospital offering 24-hour care, such as the Medivet sites that offer OOH.²⁰⁷ On the same basis, the CMA considers that a share of sites measure may overstate the competitive constraint from OOH providers that offer a more limited service (eg an ‘on call’ vet who attends some emergencies but refers others to alternative nearby OOH services).
204. However, the CMA notes that in the FTE data provided by Medivet and collected from third parties, there was fairly limited variation in FTE numbers for OOH services between sites. This suggests that using share of sites instead of share of FTE is unlikely to result in the CMA significantly over- or underestimating the competitive strength of different providers. Additionally, the CMA considers a share of sites measure to be reflective of the level of choice available to OOH customers within the local area of relevance, and appropriate given the importance of distance as a driver of competition.²⁰⁸ Therefore, in light of the stated data availability limitations, the CMA considers a share of sites measure to be the most appropriate basis for estimating shares of supply.

Filtering

205. After identifying the relevant overlaps, the CMA applied filters to remove from further consideration areas in which the OOH Target Mergers do not raise competition concerns. In line with the approach for Small Animal Services, the CMA considers that competition concerns can be excluded in areas where the Parties would have a

²⁰⁷ The CMA notes that there is limited evidence on what factors, aside from proximity, are important to customers, and therefore it is not clear what impact the type of OOH service offered has on competitive strength.

²⁰⁸ See, for example, [CMA62](#), paragraph 3.24.

combined share of less than 30% across all the catchment areas identified above.²⁰⁹

206. Based on its filtering analysis, the CMA found that competition concerns can be excluded in the local area centred on Medivet 24 Hour Woodstock (relating to the Iffley Vets Merger). The remaining six local areas within which Medivet and the OOH Targets overlap do not pass the filter and have therefore been considered in more detail in the competitive assessment below.

Local assessment of the six sites failing the filter

207. The CMA assessed the likelihood of the OOH Target Mergers resulting in horizontal unilateral effects in each of the areas around the six sites that required a more detailed competitive assessment by reference to shares of supply, closeness of competition and competitive constraints from alternative suppliers.

Shares of supply

208. Based on the evidence available, the CMA estimates that Medivet and the OOH Targets have a combined share of supply of Small Animal OOH Services above 30% in the local catchment areas set out in Table 4 below.

Table 4: Combined shares of supply in Small Animal OOH Services

Merger	Centroid site name	Owner of centroid	Combined share (by share of sites)
Caddy Country	Medivet Ballymena Grove Road	Medivet	[30-40]%
Elizabeth Street	Medivet 24 Hour Camberwell	Medivet	[50-60]%
Elizabeth Street	Medivet 24 Hour Richmond	Medivet	[50-60]%
Elizabeth Street	Medivet 24 Hour Kensington	Medivet	[50-60]%
Elizabeth Street	Elizabeth Street (Medivet Belgravia Elizabeth St)	Elizabeth Street	[40-50]%
Iffley Vets	Iffley Vets (Medivet Oxford Iffley Road)	Iffley Vets	[60-70]%

Source: CMA analysis

209. A full and detailed list of the Medivet and OOH Target sites that fail the filter is included in **Annex B**.

210. The CMA notes that all centroids except for Medivet Ballymena Grove Road have a significant presence in the provision of Small Animal OOH Services in each of the local areas in Table 4, with high shares of supply in each of the relevant catchment

²⁰⁹ For the avoidance of doubt, the CMA excludes from the analysis sites that fulfil their OOH obligation by outsourcing to another OOH provider.

areas. The CMA notes that the share for Medivet Ballymena Road, relating to the Caddy Country Merger, is more borderline at [30-40]%.²¹⁰ The Merger increment exceeds 5% in each local area.

Closeness of competition

211. The CMA notes that Medivet did not make submissions on what factors should be considered in assessing any loss of competition between Medivet and the OOH Targets in the supply of Small Animal OOH Services beyond those presented in paragraph 190.
212. In view of Medivet's submissions discussed at paragraph 190, the CMA considered whether sites offering a more basic OOH service primarily to their registered customers may represent weaker competitors in the provision of OOH services than sites offering a higher level of service (eg a hospital offering 24-hour care onsite to both registered and unregistered customers, and offering B2B OOH services).
213. The CMA notes that in *IVC/Multiple*, it was considered if, on the one hand, there may be a basis to consider sites with a dedicated or enhanced OOH service to be stronger competitors, on the other, first opinion sites providing an OOH service with their first opinion vets on a rota may have a competitive advantage because their registered customers value being seen by their regular vet in an emergency.²¹¹ However, the CMA considers that regardless of consumer preferences, all else being equal, competitors that offer OOH service to unregistered customers will be an option for a higher proportion of a given site's OOH customers, and so will impose a greater constraint on that site. Therefore, the CMA has considered sites offering a higher level of OOH service (eg including to unregistered customers) as a stronger competitive constraint than sites offering a more basic OOH service.
214. With regards to Caddy Country, the CMA considers that Caddy Country and Medivet Ballymena Grove Road appear to offer a somewhat differentiated service. Prior to the closure of Caddy Country, its one FTE vet made themselves available OOH to answer calls for their own customers, while Medivet Ballymena Grove Road is a 24-hour site providing OOH care to Medivet customers only.
215. With regards to Elizabeth Street, the CMA considers that Elizabeth Street and the surrounding Medivet sites (Camberwell, Richmond, Kensington) all offer highly

²¹⁰ The CMA additionally notes that this site would not fail the filter if its site-specific catchment were applied.

²¹¹ [IVC/Multiple](#), paragraph 238.

similar services, ie 24-hour emergency services, including for customers not registered with the site, and offer B2B OOH services.

216. With regards to Iffley Vets, the CMA considers that Iffley Vets and Medivet 24 Hour Woodstock appear to offer a somewhat differentiated service. Iffley Vets provided 24-hour OOH services from its Oxford site to customers registered with both its sites, while Medivet 24hr Woodstock offers 24-hour emergency services, including for customers not registered with the site, and offers B2B OOH services.

Alternative suppliers

217. The CMA has considered the competitor sites within each relevant catchment, based on Medivet's submissions, third-party responses and publicly available third-party information, to determine the extent of the competitive constraint that will be imposed by alternative suppliers on Medivet post-Merger.²¹²
218. With regards to Medivet Ballymena Grove Road (relating to Caddy Country), there are four competitors present in the catchment, each of which the CMA considers provides at least as much competitive constraint on Medivet as Caddy Country. One of these providers offers services to non-registered customers.²¹³ The CMA therefore considers that the remaining competitors in this local area are likely to exert a reasonably strong competitive constraint on Medivet Ballymena Grove Road.
219. With regards to Elizabeth Street, there are five third parties in the relevant catchment area.²¹⁴ It is not clear that these sites offer the same level of OOH service as Elizabeth Street and Medivet as, for example, while three providers also offer services to non-registered customers,²¹⁵ only one also provides OOH B2B services.²¹⁶ In addition, all third parties have less FTE vets than any of the three Medivet sites within Elizabeth Street's catchment. In the round, the CMA considers that these third-party sites are likely to exert a less significant competitive constraint on Elizabeth Street than the Medivet sites. The CMA also notes that while it has included London Cat Clinic within its competitive assessment, this site only offers services to cats, and may therefore be a weaker competitive constraint.

²¹² For example, the website might have a section on "Out of hours" or "Emergencies".

²¹³ Response to CMA questionnaire.

²¹⁴ The CMA notes that there are less third parties in the catchment area when centring on the surrounding Medivet sites (Camberwell, Richmond and Kensington).

²¹⁵ Streatham Hill Veterinary Surgery, London Cat Clinic, The Village Veterinary Practice.

²¹⁶ The Village Veterinary Practice.

220. With regards to Iffley Vets, there is only one third party present in the catchment. As explained in paragraph 196, this site appears to offer at least the same level of OOH service as Iffley Vets, but less service than Medivet 24 Hour Woodstock, implying it is a weaker competitive constraint on Iffley Vets than the relevant Medivet site.

Conclusion on horizontal unilateral effects in Small Animal OOH Services

221. In the round, for the reasons set out above, the CMA considers that:

- (a) For Medivet Ballymena Grove (relating to Caddy Country), the combined share of supply ([30-40]%) is not significantly above the filter threshold of 30%, reflecting that there are four alternative suppliers within the catchment; further the combined share of supply would not exceed the filter threshold in a site-specific catchment. The alternative suppliers are all likely to constrain Medivet Ballymena Grove at least to the same extent as Caddy Country, and one supplier appears likely to provide a stronger constraint than Caddy Country. On this basis, the CMA considers that there is not a realistic prospect of an SLC arising in relation to the local area centred on Medivet Ballymena Grove Road.
- (b) For Elizabeth Street and the surrounding Medivet sites (Kensington, Camberwell and Richmond), the combined shares of supply are high (up to [50-60]%). The CMA considers that the third parties present are likely to impose a lesser competitive constraint than the Parties, which both offer a higher level of OOH service. On this basis, the CMA considers that there is a realistic prospect of an SLC arising in relation to the local areas centred on Elizabeth Street, Medivet 24 Hour Camberwell, Medivet 24 Hour Richmond and Medivet 24 Hour Kensington.
- (c) For Iffley Vets, the combined share of supply is high ([60-70]%), reflecting that there is only one third party in the catchment. The CMA considers that this third party is likely to impose a lesser competitive constraint than Medivet 24 Hour Woodstock. On this basis, the CMA considers that there is a realistic prospect of an SLC arising in relation to the local area centred on Iffley Vets.

BARRIERS TO ENTRY AND EXPANSION

222. Entry, or expansion of existing firms, can mitigate the initial effect of a merger on competition, and in some cases may mean that there is no SLC. In assessing whether entry or expansion might prevent an SLC, the CMA considers whether such

entry or expansion would be timely, likely and sufficient.²¹⁷ In terms of timeliness, the CMA's guidelines indicate that the CMA will look for entry to occur within two years.²¹⁸

223. Recent CMA cases in the veterinary industry have concluded that entry or expansion would not be sufficient, timely or likely to prevent a realistic prospect of an SLC as a result of the respective mergers.²¹⁹ In particular, these cases identified that the general shortage of vets, exacerbated by Brexit and the COVID-19 pandemic, presents a barrier to entry and/or expansion of veterinary practices.²²⁰
224. Medivet submitted that any shortage of vets, or veterinary nurses, means that practices must be competitive to attract and retain talent, and the Mergers have not changed this. Medivet further submitted that Medivet places great importance on attracting and retaining qualified vet talent for its practices and hospitals, including through its branch-partnership model.²²¹
225. The CMA considers that irrespective of Medivet's ability to attract and retain talent, evidence received by the CMA in the course of its investigations consistently shows that the shortage of vets described above constitutes a real challenge for the operation (and/or expansion) of veterinary businesses in the UK.²²² The Medivet 2021 Annual Report acknowledges that the market for veterinary surgeons and nurses is highly competitive and that there is risk in relation to Medivet's ability to attract and retain key staff.²²³ Additionally, out of the 26 third-party competitors that raised concerns about one or more of the Mergers, 9 thought that corporate consolidation creates additional difficulties in recruiting veterinary staff.
226. Medivet additionally submitted that barriers to entry and/or expansion in respect of veterinary services in the UK are low. In particular, Medivet estimated that the cost of setting up a new veterinary practice in the UK would cost in the region of £100,000, with only a proportion of this cost sunk.²²⁴ Medivet further submitted that an accredited veterinary surgeon faces no complex legal or corporate barriers to

²¹⁷ [CMA129](#), from paragraph 8.40.

²¹⁸ [CMA129](#), paragraph 8.31-8.33.

²¹⁹ [IVC/Multiple](#), paragraph 253, [VetPartners/Goddard](#), paragraph 182, [CVS/The Vet](#), paragraph 172.

²²⁰ [IVC/Multiple](#), paragraphs 249-253, [VetPartners/Goddard](#), paragraph 177, [CVS/The Vet](#), paragraphs 166-168.

²²¹ Parties' response to RFI 1, 9 January 2023, paragraph 1.4.

²²² This is also consistent with evidence gathered in the most recent CMA investigation in the veterinary industry, [IVC/Multiple](#), paragraph 251.

²²³ Parties' response to Section 109 Notice of 25 October 2022 (Enquiry Letter), Annex F4.

²²⁴ Parties' consolidated response to Section 109 Notice of 25 October 2022 (Enquiry Letter), paragraph 33.

starting their own veterinary practice and needs only office space, general veterinary equipment, and support staff.²²⁵

227. However, in the absence of additional area-specific evidence on likely entry or expansion by other players in the local areas relevant to the Mergers, the CMA does not consider the general submissions made by Medivet are sufficient to indicate any future entry or expansion will be timely, likely and sufficient to prevent the loss of competition brought about by the Mergers in the local area of relevance where an SLC has been identified.
228. On this basis, the CMA does not consider that entry or expansion will be timely, likely or sufficient to mitigate any SLC(s) arising in relation to any or all of the Mergers.

CONCLUSION ON SUBSTANTIAL LESSENING OF COMPETITION

229. Based on the evidence set out above, the CMA considers that it is or may be the case that:
- (a) Each of Medivet's acquisitions of All Creatures, Barton, Brockwell Vets, Caddy Country, Elizabeth Street, Ferring Street, Fitzalan House, The Hackney Vet, Iffley Vets, Oxford Cat Clinic, The Vet on Richmond Hill & St Margaret's, and The Vet Station has resulted, or may be expected to result, in a realistic prospect of an SLC in the local areas set out in Annex A below, as a result of unilateral effects in the supply of Small Animal Services.
 - (b) Each of Medivet's acquisitions of Elizabeth Street and Iffley Vets has resulted, or may be expected to result, in a realistic prospect of an SLC in the local areas set out in Annex B below, as a result of unilateral effects in the supply of Small Animal OOH Services.

EXCEPTIONS TO THE DUTY TO REFER

230. Where the CMA's duty to refer is engaged, the CMA may, pursuant to section 22(2)(a) of the Act, decide not to refer the merger under investigation for a Phase 2 investigation on the basis that the market(s) concerned is/are not of sufficient importance to justify the making of a reference (the de minimis exception). The CMA considers that the market(s) concerned will generally be of sufficient importance to

²²⁵ Parties' response to Section 109 Notice 5, 31 January 2023, paragraph 3.2.

justify a reference (such that the exception will not generally be applied) where the annual value in the UK of the markets concerned is more than £15 million in aggregate. Conversely, the CMA considers that where the annual value in the UK of the market(s) concerned is, in aggregate, less than £5 million, a reference to Phase 2 will generally not be justified. However, the CMA is less likely to apply the 'de minimis' discretion where a merger is one of a potentially large number of similar mergers that could be replicated across the sector in question.²²⁶ The CMA has considered below whether it is appropriate to apply the de minimis exception to the present cases.

231. Medivet submitted that the markets affected by the Caddy Country, The Hollies and Canine Healthcare Mergers are not only below £15 million, but well below £5 million.²²⁷ Further, Medivet submitted that given the 'one-off', highly unusual and exceptional features of both the Caddy Country and The Hollies Mergers (specifically in terms of the limited assets being acquired, including the lack of a physical site), means that there is an absence of replicability.
232. As explained above, the CMA has not found a realistic prospect of an SLC for The Hollies or Canine Healthcare. Therefore, the CMA has only considered whether the exception to the duty to refer applies for Caddy Country. The CMA has not received any documentary evidence from Medivet indicating that the Caddy Country acquisition was 'exceptional' in the sense that Medivet would not typically acquire sites without a physical site, and the transactions currently under review include two transactions in which Medivet acquired a practice without the physical site (Caddy Country and The Hollies). Second, the CMA does not accept that the characterisation of the Caddy Country merger as exceptional excludes it from being one of a large number of similar acquisitions Medivet has, and will continue to make, of independent veterinary practices (either with or without the property).
233. On this basis, the CMA found that although the Caddy Country merger may relate to a market with an annual value of less than £5 million,²²⁸ as the merger is one of a potentially large number of similar mergers that could be replicated across the veterinary industry, the CMA does not consider it appropriate to exercise its discretion not to refer the Caddy Country Merger.

²²⁶ Mergers: Exceptions to the duty to refer, December 2018 ([CMA64](#)), paragraphs 20-21 and 48.

²²⁷ Parties' response to the Issues Letter (Issues Meeting presentation), 26 April 2023, slide 65. Medivet estimated a relevant market size of £[redacted] for Caddy Country, £[redacted] for The Hollies and £[redacted] for Canine Healthcare.

²²⁸ The CMA notes that it has not verified Medivet's submission that the estimated market size of Caddy Country is £[redacted].

DECISION

234. Consequently, the CMA does not consider that it is or may be the case that The Hollies, Canine Healthcare and Withy Grove Mergers have resulted, or may be expected to result, in an SLC within a market or markets in the United Kingdom.
235. The Hollies, Canine Healthcare and Withy Grove Mergers will therefore not be referred under section 22(1) of the Act.
236. Consequently, the CMA considers that for each of the following Mergers, it is or may be the case that (i) a relevant merger situation has been created; and (iii) the creation of that situation has resulted, or may be expected to result, in an SLC within a market or markets in the United Kingdom (together referred to as the **SLC Mergers**):
- (a) All Creatures;
 - (b) Barton;
 - (c) Brockwell Vets;
 - (d) Caddy Country;
 - (e) Elizabeth Street;
 - (f) Ferring Street
 - (g) Fitzalan House;
 - (h) The Hackney Vet;
 - (i) Iffley Vets;
 - (j) Oxford Cat Clinic;
 - (k) The Vet Station; and
 - (l) The Vet on Richmond Hill & St Margaret's.
237. The CMA therefore considers that it is under a duty to refer under section 22(1) of the Act in relation to each of the SLC Mergers. However, the duty to refer is not exercised whilst the CMA is considering whether to accept undertakings under

section 73 of the Act instead of making such a reference.²²⁹ Medivet and CVC Capital Partners have until 25 May 2023²³⁰ to offer undertakings to the CMA.²³¹ The CMA will refer each of the Mergers for a phase 2 investigation²³² if Medivet and CVC Capital Partners do not offer undertakings by this date; if Medivet and CVC Capital Partners indicate before this date that they do not wish to offer undertakings; or if the CMA decides²³³ by 2 June 2023 that there are no reasonable grounds for believing that it might accept the undertakings offered by Medivet and CVC Capital Partners, or a modified version of them.

238. The statutory four-month periods mentioned in section 24 of the Act in which the CMA must reach a decision on reference for the Mergers expires on 19 May 2023 (except in the case of Elizabeth Street, which expires on 2 June 2023). For the avoidance of doubt, the CMA hereby gives Medivet notice pursuant to section 25(4) of the Act that it is extending the four-month periods mentioned in section 24 of the Act. This extension comes into force on the date of receipt of this notice by Medivet and will end with the earliest of the following events: the giving of the undertakings concerned; the expiry of the period of 10 working days beginning with the first day after the receipt by the CMA of a notice from Medivet stating that it does not intend to give the undertakings; or the cancellation by the CMA of the extension.

Sorcha O’Carroll
Senior Director, Mergers
Competition and Markets Authority
18 May 2023

²²⁹ Section 22(3)(b) of the Act.

²³⁰ Section 73A(1) of the Act.

²³¹ Section 73(2) of the Act.

²³² Sections 22(1) and 34ZA(2) of the Act.

²³³ Section 73A(2) of the Act.

ENDNOTE:

- i. Paragraph 38 should read ‘As explained at paragraphs 80-86, Medivet did not sufficiently make the material facts of these Mergers public when Medivet acquired each of the Targets.’
- ii. Paragraph 84 should read ‘The CMA considers that in the absence of material facts sufficiently being made public, the four-month period starts from the time the CMA was told of material facts.’

ANNEX A: LIST OF PARTIES' SMALL ANIMAL SERVICES SLC SITES

Merger	Centroid Owner	Centroid site name	Combined share (by FTE vets)	Target increment (by FTE vets)	Target or Medivet site(s) in catchment area
All Creatures	All Creatures	All Creatures (Medivet Chelsfield)	[40-50]%	[20-30]%	Medivet Petts Wood, Medivet Orpington Green St
All Creatures	All Creatures	All Creatures (Medivet Locksbottom)	[60-70]%	[20-30]%	Medivet Orpington Green St, Medivet Petts Wood, Medivet Bromley
All Creatures	Medivet	Medivet Beckenham 24 Hour	[30-40]%	[0-5]%	All Creatures (Medivet Locksbottom)
All Creatures	Medivet	Medivet Biggin Hill	[30-40]%	[0-5]%	All Creatures (Medivet Locksbottom)
Barton ‡	Barton	Barton (Medivet Barton Upon Humber)	[50-60]%	[20-30]%	Medivet Winterton, Medivet Ucleby, Medivet 24 Hour Swanland
Barton	Medivet	Medivet 24 Hour Swanland	[30-40]%	[10-20]%	Barton (Medivet Barton Upon Humber)
Brockwell Vets	Medivet	Medivet 24 Hour Camberwell	[50-60]%	[10-20]%	Brockwell Vets (Medivet Herne Hill)
Caddy Country §	Medivet	Medivet Randalstown	[90-100]%	[50-60]%	Caddy Country
Elizabeth Street	Elizabeth Street	Elizabeth Street (Medivet Belgravia Elizabeth St)	[40-50]%	[0-5]%	Medivet Parson Green, Medivet Notting Hill Chepstow Corner, Medivet Clapham, Medivet Notting Hill, Medivet Battersea, Medivet 24 Hour Kensington, Medivet West Kensington, Medivet Fulham
Elizabeth Street	Medivet	Medivet 24 Hour Kensington	[60-70]%	[0-5]%	Elizabeth Street (Medivet Belgravia Elizabeth St)
Elizabeth Street	Medivet	Medivet Battersea	[30-40]%	[0-5]%	Elizabeth Street (Medivet Belgravia Elizabeth St)
Elizabeth Street	Medivet	Medivet Hyde Park	[30-40]%	[5-10]%	Elizabeth Street (Medivet Belgravia Elizabeth St)
Ferring Street	Ferring Street	Ferring Street (Medivet East Preston Sea Road)	[40-50]%	[20-30]%	Medivet Rustington, Medivet Goring-by-sea, Medivet Angmering, Medivet East Preston/Fitzalan House Veterinary Group, Medivet Littlehampton Fitzalan Rd
Ferring Street	Ferring Street	Ferring Street (Medivet Ferring Sea Lane)	[40-50]%	[20-30]%	Medivet Rustington, Medivet Goring-by-sea, Medivet East Preston/Fitzalan House Veterinary Group, Medivet Angmering, Medivet Worthing

Ferring Street	Ferring Street	Ferring Street (Medivet Ferring Street)	[30-40]%	[30-40]%	Medivet Goring-by-sea, Medivet Angmering, Medivet East Preston/Fitzalan House Veterinary Group, Medivet Worthing
Ferring Street	Medivet	Medivet Worthing	[30-40]%	[10-20]%	Ferring Street (Medivet Ferring Sea Lane)
Fitzalan House †	Fitzalan House	Fitzalan House (Medivet Angmering)	[40-50]%	[10-20]%	Ferring Street (Medivet Ferring Street), Ferring Street (Medivet Ferring Sea Lane), Ferring Street (Medivet East Preston Sea Road)
Fitzalan House †	Fitzalan House	Fitzalan House (Medivet East Preston)	[40-50]%	[10-20]%	Ferring Street (Medivet Ferring Sea Lane), Ferring Street (Medivet Ferring Street), Ferring Street (Medivet East Preston Sea Road)
The Hackney Vet	Medivet	Medivet Dalston	[70-80]%	[30-40]%	The Hackney Vet (Medivet Hackney)
The Hackney Vet	Medivet	Medivet Stamford Hill	[90-100]%	[40-50]%	The Hackney Vet (Medivet Hackney)
The Hackney Vet	The Hackney Vet	The Hackney Vet (Medivet Hackney)	[70-80]%	[40-50]%	Zasman Vet Stoke Newington (Medivet Stoke Newington), Medivet Stamford Hill
Iffley Vets	Iffley Vets	Iffley Vets (Medivet Wheatley Roman Road)	[40-50]%	[5-10]%	Medivet Wheatley
Iffley Vets	Medivet	Medivet East Oxford	[30-40]%	[0-5]%	Oxford Cat Clinic (Medivet Marston Cat Clinic), Iffley Vets (Medivet Wheatley Roman Road), Oxford Cat Clinic (Medivet Botley Cat Clinic)
Iffley Vets	Medivet	Medivet Wheatley	[30-40]%	[10-20]%	Iffley Vets (Medivet Wheatley Roman Road), Oxford Cat Clinic (Medivet Marston Cat Clinic), Iffley Vets (Medivet Oxford Iffley Road)
Oxford Cat Clinic	Medivet	Medivet East Oxford	[30-40]%	[10-20]%	Oxford Cat Clinic (Medivet Marston Cat Clinic), Iffley Vets (Medivet Wheatley Roman Road), Oxford Cat Clinic (Medivet Botley Cat Clinic)
Oxford Cat Clinic	Medivet	Medivet Kidlington	[30-40]%	[10-20]%	Oxford Cat Clinic (Medivet Botley Cat Clinic), Oxford Cat Clinic (Medivet Marston Cat Clinic)
Oxford Cat Clinic	Medivet	Medivet North Oxford	[40-50]%	[20-30]%	Oxford Cat Clinic (Medivet Marston Cat Clinic), Oxford Cat Clinic (Medivet Botley Cat Clinic)
Oxford Cat Clinic	Oxford Cat Clinic	Oxford Cat Clinic (Medivet Botley Cat Clinic)	[30-40]%	[10-20]%	Medivet Kidlington, Medivet Abingdon, Medivet Eynsham, Medivet Oxford Iffley Rd, Medivet East Oxford, Medivet North Oxford, Medivet 24 Hour Woodstock
Oxford Cat Clinic	Oxford Cat Clinic	Oxford Cat Clinic (Medivet Marston Cat Clinic)	[50-60]%	[20-30]%	Medivet Roman Road, Medivet Kidlington, Medivet East Oxford, Medivet Wheatley, Medivet North Oxford, Medivet Oxford Iffley Rd

The Vet on Richmond Hill & St Margarets	Medivet	Medivet 24 Hour Richmond	[40-50]%	[0-5]%	The Vet on Richmond Hill & St Margarets (Medivet St Margaret's Crown Road)
The Vet on Richmond Hill & St Margarets	Medivet	Medivet Old Isleworth	[30-40]%	[5-10]%	The Vet on Richmond Hill & St Margarets (Medivet St Margaret's Crown Road)
The Vet on Richmond Hill & St Margarets	Medivet	Medivet Twickenham	[30-40]%	[5-10]%	The Vet on Richmond Hill & St Margarets (Medivet St Margaret's Crown Road), The Vet on Richmond Hill & St Margarets (Medivet Richmond Hill)
The Vet on Richmond Hill & St Margarets	The Vet on Richmond Hill & St Margarets	The Vet on Richmond Hill & St Margarets (Medivet St Margaret's Crown Road)	[50-60]%	[20-30]%	Medivet Twickenham, Medivet Old Isleworth
The Vet Station	Medivet	Medivet Hemel Hempstead Marlowes	[30-40]%	[10-20]%	The Vet Station (Medivet Great Gaddesden)

Source: CMA analysis.

Note: The CMA notes that where a Target overlaps with another Target, the CMA has treated that site as a Medivet site.

† The CMA notes that the information Medivet provided on Fitzalan House erroneously did not include Ferring Street in the dataset when centering on Fitzalan House sites. The CMA has included the Ferring Street sites as being within each respective Fitzalan House site's catchment if the drivetime from the Ferring Street site to the Fitzalan House site is within that site's catchment.

‡ The CMA notes that, as explained in the Counterfactual section, absent the Barton Merger the CMA found that Medivet Ulceby would remain open in the counterfactual, and so Medivet Ulceby has been included in the conceivable overlap for Barton sites, using data from August 2021. The CMA notes that excluding Medivet Ulceby as an overlap would result in the combined shares being [50-60]%. § The CMA notes that, as explained in the Counterfactual section, Caddy Country is being treated as remaining open in the counterfactual, and has been included using data from the time of acquisition.

ANNEX B: LIST OF PARTIES' SMALL ANIMAL OOH SERVICES SLC SITES

Merger	Centroid owner	Centroid site name	Combined share (by share of sites)	Target increment (by share of sites)	Target or Medivet site(s) in catchment area
Elizabeth Street	Medivet	Medivet 24 Hour Camberwell	[50-60]%	[10-20]%	Elizabeth Street (Medivet Belgravia Elizabeth St)
Elizabeth Street	Medivet	Medivet 24 Hour Richmond	[50-60]%	[10-20]%	Elizabeth Street (Medivet Belgravia Elizabeth St)
Elizabeth Street	Medivet	Medivet 24 Hour Kensington	[50-60]%	[10-20]%	Elizabeth Street (Medivet Belgravia Elizabeth St)
Elizabeth Street	Elizabeth Street	Elizabeth Street (Medivet Belgravia Elizabeth St)	[40-50]%	[10-20]%	Medivet 24 Hour Camberwell, Medivet 24 Hour Richmond, Medivet 24 Hour Kensington
Iffley Vets	Iffley Vets	Iffley Vets (Medivet Oxford Iffley Road)	[60-70]%	[30-40]%	Medivet 24 Hour Woodstock