



# CVS Response to CMA Consultation on the proposal to make a market investigation reference into veterinary services for household pets in the UK

## 1 Introduction

CVS Group (“**CVS**”) appreciates the opportunity to contribute to the CMA’s consultation on the proposal to make a market investigation reference (“**MIR**”) into veterinary services for household pets in the UK.

CVS has been operating in the sector for 25 years, always with patient care at its heart. The CMA’s proposed MIR comes at a time when the quality of veterinary care available to pets in the UK is unprecedented, but when the profession also faces serious challenges. Our vets and vet nurses have daily experience of the change the sector has undergone, and the challenges it faces, key among them is the significant recruitment and retention crisis in the veterinary profession.

We have already proactively engaged with the CMA during its initial review. During that process, CVS, together with several other large corporate groups, put forward a remedy package to the CMA that included a range of measures to improve communication between vets and pet owners, to increase transparency around pricing and ownership, and ultimately, further strengthen trust in the veterinary profession. We continue to believe that package could have brought swift change across the profession and would have addressed the majority of the issues highlighted by the CMA in its consultation. We are disappointed the CMA did not share this view, but remain determined to lead and support the sector in delivering the best outcomes for patients, customers and employees.

## 2 About CVS

CVS was established in 1999 to operate veterinary practices that were well established within their local community and had a reputation for high quality service. From 2001 CVS diversified into many other aspects of veterinary business, but first opinion small animal practices remain our core business. Today, CVS has over 500 practices across the UK, Australia, the Netherlands and Ireland. We employ more than 1,900 vets and over 2,500 nurses.

At CVS, we strive to give the best possible clinical care to animals, and our vision is to be the veterinary company people most want to work for. There are four core elements to our purpose, which ultimately drive our commercial strategy:

- i. **We recommend and provide the best clinical care every time.** We pride ourselves on the quality of care we deliver to our clients and believe this differentiates CVS in a highly competitive marketplace.
- ii. **We are a great place to work and have a career.** This is fundamental to achieving our first aim. We operate in a service industry that is facing an existential recruitment and retention crisis. We place a great amount of weight on (and invest considerably in) ensuring we can recruit and retain experienced, talented vets and nurses, so that we can deliver great clinical care.
- iii. **We provide great facilities and equipment.** This is also critical to enabling our first aim. In FY to June 2023 CVS invested £45.7mn in our practice facilities and completed 21 practice refurbishments and relocation projects.

- iv. **We take our responsibilities seriously.** All our practices are accredited under the RCVS Practical Standards Scheme (PSS) and we are the first veterinary corporate group to publish a clinical governance framework underpinned by contextualised care. For example, in June 2023, our practices undertook a new Environmental Sustainability module in the RCVS PSS which provides practices with the tools to reduce their environmental impact in both the clinical and non-clinical areas of practice. This includes minimising anaesthetic gas usage and the development of a written environmental policy, as part of CVS' Energy and Carbon Programme and our broader ESG strategy.

### 3 Changes and challenges in the veterinary profession

The vet sector has been through transformative change over the last two decades, driven by a number of factors, including:

- Increase in pet ownership and so-called “humanisation” of pets which has driven demand for high-quality veterinary care;
- Significant advancements in the standard of care we can provide at first opinion practices (e.g., advanced imaging – such as CT – is now readily accessible; dental radiography is becoming standard, laparoscopic neutering is becoming widespread); and
- Increased professionalisation of vet services (e.g., from terraced house surgeries to high-tech facilities) and changes to preferences of those working in the sector (desire for more flexible working patterns, greater work/life balance etc.).

At the same time, the sector is facing an existential recruitment and retention crisis. The statistics are stark: currently, there is an estimated shortage of veterinary surgeons of c. 11%. RCVS data indicates that the average time practising as a vet is less than the time it took to graduate into the profession. Vets' experience of working in first opinion practice is characterised by long working hours and stress due to challenging cases. The mental health crisis in this sector is well documented. At the same time, improvements in work/life balance aimed at ameliorating the pressure vets face means that vets are working fewer hours compared with the past, when individual vets were often on call for their patients 24/7.

CVS is deeply committed to supporting its own vets and the profession more generally. Just some of the steps CVS takes to support its vets and vet nurses include clinical support helplines (e.g., remote image interpretation specialist advice), mental health and wellbeing support, removing vets and vet nurses from out-of-hours rotas, better work/life balance through flexible working, longer consultation times (which reduces stress by allowing an opportunity to properly diagnose issues) and enhanced parental and sick leave etc.

CVS also invests in its clinical care and its clients. CVS has invested £17.2m in the first six months of this financial year to date on improving clinical facilities, equipment and IT. CVS' group structure also allows it to provide clients with specialist care and support – e.g. trained pet bereavement counsellors will call clients in the days after a pet's euthanasia to talk through options rather than force a decision in a short consultation.

While there are ongoing challenges in the sector, CVS strongly believes the change over the last two decades has been for the better. To put it simply:

- animals receive better care, suffer less, and live longer and healthier lives;

- pet owners receive better support from their vet practices when they face difficult times with their animals; and
- vets and vet nurses now work in vastly superior conditions and on better terms, aided and assisted by modern technology that delivers better care and eases workload pressure.

#### **4 The concerns outlined in the CMA's consultation**

The CMA's consultation paper highlights a number of concerns with how the vet sector is operating. Several of these arise from challenges that are intrinsic to veterinary (and indeed human medical) care – for example it is inherently difficult to precisely predict the end-to-end cost of medical treatment as it will depend not only on the characteristics of the animal (size, age, breed) but also on diagnostic results and how the patient responds to treatment. CVS will engage actively with the CMA on its concerns in the next stage of the process, but for the purposes of this response notes that:

- While pricing conversations can be challenging, CVS invests heavily in training its vets to communicate clearly with pet owners about proposed treatment plans and predicted costs. This includes training on contextualised care, so that the treatment plan recommended and the mode in which it is communicated takes account of the full context in which both the animal and owner present. Except in rare emergency cases, all CVS clients will receive a written estimate of any care plan.
- CVS has recently adopted uniform branding across practices online under the brand “The Vet Collection”.
- CVS does not offer *any* financial incentives to its vets or vet nurses based either on (i) the services they personally deliver; or (ii) referrals to other CVS group services.
- All of CVS' practices voluntarily comply with the requirements under the RCVS PSS, meaning that they prominently display a standard format 'prescription notice' in their waiting room reminding clients that they may obtain relevant veterinary medicinal products from a CVS practice, or alternatively ask for a prescription and obtain medicines from another veterinary surgeon or pharmacy.
- CVS' current prescription fee<sup>1</sup> is at the lower end of the range reported by respondents to the CMA.<sup>2</sup> Our prescription fee is based on the cost of delivery, which includes (among other factors): the professional time involved in reading and interpreting the associated clinical notes relating to the prescription; selecting the appropriate products to prescribe; calculating and double-checking dosage and physically creating the written prescription.

Finally, CVS agrees with the CMA that there is an urgent need to update the existing regulatory framework for the veterinary profession. CVS also supports the CMA's proposal for mandatory practice regulation, having previously contributed its views to the RCVS legislative review in this area in May 2021. In addition, CVS would support greater monitoring and enforcement powers for the RCVS; improvements to the current RCVS Code of Conduct to enhance compliance with current provisions and the development of new mechanisms to promote best practice standards.

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<sup>1</sup> Prescription in respect of treatments for small animals.

<sup>2</sup> As set out in para. 2.50 of the CMA's consultation paper dated 12 March 2024.



## **5 Conclusion**

CVS strives to offer the best clinical facilities, and to lead the profession in best practice in all its interactions with pets and pet owners. CVS looks forward to engaging further with the CMA in the next stage of its process and is optimistic the CMA process can lead to improvements in the standard of care and the client experience across the veterinary sector.