

Joint response to the Competition and Markets Authority consultation on veterinary services for household pets in the UK – proposed market investigation reference

1. The British Veterinary Association (BVA) is the national representative body for the veterinary profession in the United Kingdom. With almost 20,000 members, our mission is to represent, support and champion the whole UK veterinary profession. We are a professional body and our members are individual veterinary surgeons. We take a keen interest in all issues affecting the profession, including animal health and welfare, public health, regulatory issues, and employment matters.
2. We welcome the opportunity to respond to the CMA consultation on a proposed market investigation reference. Our submission has been compiled jointly with four of our specialist divisions and affiliate organisations, for which the review has the most relevance:
 - The British Small Animal Veterinary Association (BSAVA) which has a membership of 11,000 individuals mainly comprised of veterinary surgeons working in small animal practices treating household pets but also includes registered veterinary nurses (RVNs) and student veterinary surgeons and nurses. Its mission is to enable the community of small animal veterinary professionals to develop their knowledge and skills through leading-edge education, scientific research, and collaboration. It works closely with BVA to represent and support the profession in specific areas of relevance to small animal practitioners.
 - The Society of Practising Veterinary Surgeons (SPVS) whose mission is to facilitate a culture of support and community for practice owners and veterinary leaders through the development of industry leading provision and representation.
 - The British Veterinary Nursing Association (BVNA) is the independent membership organisation providing services to and representing the veterinary nursing community with 6,500 members. We have a strategic alliance, and their mission is to empower veterinary nurses to develop as individuals and increase their impact on the profession, animal health and welfare.
 - The Veterinary Management Group (VMG), who are the UK's leading representative body for veterinary professionals working in leadership and management roles.

Background

3. In October 2023 we responded to the CMA review of the provision of veterinary services for household pets in the UK.¹ Our submission addressed the CMA's stated key areas of focus at the time, as well as providing some important background information about the veterinary sector to provide context for the CMA review.
4. We were clear that veterinary surgeons and registered veterinary nurses (RVNs) are highly skilled, trained professionals, committed to ensuring the health and welfare of animals under their

¹ <https://www.bva.co.uk/media/5686/submission-to-cma-oct-2023.pdf>

care and delivering their responsibilities to animals, clients, and society with integrity. The important relationship between vets and their clients has always been critical to optimising animal welfare outcomes through the provision of contextualised care.

5. We also made it clear that we support healthy competition, and set out the challenging landscape the veterinary profession is operating in, including: ongoing workforce shortages, exacerbated by Brexit; the growth in demand for services due to the pandemic pet boom; changes in client expectations in line with medical advances; and increasing abuse from clients, particularly as a result of the cost-of-living crisis. The submission also highlighted a disconnect between the care clients expect for their pets and the price they expect to pay, most likely as a result of a lack of information about their own healthcare costs under the NHS. As a result of all these pressures, we are seeing vets and vet nurses leaving clinical practice, which in turn is exacerbating workforce challenges.
6. Our submission also recognised that the growth in corporate ownership of practices has significantly changed the veterinary landscape. This means that we need veterinary legislation that reflects today's profession, and it is no longer appropriate that only individual veterinary surgeons and registered veterinary nurses (RVNs) can be held accountable for decisions which can directly impact on animal health and welfare – veterinary practices need to be regulated as well.
7. We greatly appreciated the subsequent opportunities to engage with the CMA as the review progressed, in particular the opportunity to discuss the concept of contextualised care. Contextualised care has very much become the preferred term within the veterinary profession to describe appropriate and proportionate care which is tailored to the needs of both the client and the animal, based on an understanding of the animal and the context in which the animal lives, the owner's finances, lifestyle, preferences, and their ability to provide suitable care. We welcome the CMA's recognition that contextualised care is currently a prominent topic in the veterinary sector², and although already a well-established principle within the profession it is a concept we are keen to develop further. It will be a key focus for us over the coming months, including being the theme of BVA Live, BVA's flagship veterinary conference.
8. We note and welcome the CMA commitment to be mindful of the impact of the review on individual veterinary professionals. As we have previously highlighted, veterinary teams are increasingly experiencing abuse from clients, in person and on social media, and we remain very concerned that this continues to be exacerbated by unfair and irresponsible media coverage citing examples of 'high' veterinary fees, which is in turn contributing to poor mental health and wellbeing of veterinary professionals. In a BVA member survey just over one fifth (22%) of respondents said that their client interactions had been more negative following the announcement of the CMA's review. While we acknowledge that the CMA believe the adverse effects on competition in the veterinary sector are significant, since the publication of the report there has been a further spike in abuse of vet teams.³ This has been magnified by widespread misreporting in the media, and we ask that the CMA continue to be mindful of language which might misrepresent the motivations and values of individual veterinary professionals. We welcome the acknowledgement within the CMA report that abuse of veterinary teams is an ongoing challenge, and that the veterinary sector is under pressure.
9. We also note and welcome the CMA intention to consider whether there is more that can be done in parallel to improve outcomes in the short term, even before the conclusion of any investigation. We would welcome the opportunity to work directly with the CMA at the earliest opportunity on

² BSAVA resources 'Veterinary Medicine on a Budget' <https://www.bsava.com/wp-content/uploads/2024/02/bsava-veterinary-medicine-on-a-budget-2.pdf>

³ <https://www.rcvs.org.uk/news-and-views/news/rcvs-responds-to-worrying-spike-in-abuse-of-vet-teams/>

the development of advice for consumers to help them acquire the information they need to purchase the vet services that are right for them.

10. As we have previously indicated, we see it as our collective role to provide leadership for the veterinary professions, including to drive positive change. With that in mind, we are well placed to support the profession in taking action to respond to the CMA's findings and to facilitate the implementation of voluntary measures. Collectively we have a wealth of existing resources on which to build⁴ and in addition have already begun to collaborate more formally to develop guidance for the profession in relation to transparency of fees, transparency of ownership, prescribing and dispensing of veterinary medicines, and contextualised care. Our guidance could form the basis for the development of voluntary measures or action, at least in relation to some of the provisional areas of concern identified by the CMA review.

Consultation Questions (Section 5 of the CMA Report)

Do you consider that our analysis is correct with respect to the suspected features of concern in the supply of veterinary services and related services for household pets in the UK? In relation to:

CMA Competition Concern 1: Whether consumers are given enough information to enable them to choose the best veterinary practice or the right treatment for their needs.

11. We agree that competition is unlikely to work well if customers are unable to understand and compare different options and prices. We also agree that it is particularly important that clients are provided with the information they need at the right time so that they can choose the treatment plan that is right for them and their pet. For clients to make informed choices they need key information relevant to their circumstances including costs and treatment options.

Transparency of fees

12. Vets are required by their regulator, the Royal College of Veterinary Surgeons, to be open and honest about fees for veterinary treatment. The RCVS Code of Professional Conduct for Veterinary Surgeons and related Guidance makes clear that "*clients should be provided with clear and easy to understand information about how fees are calculated and what it is they are being charged for, so that they are in a position to give informed consent to treatment*"⁵. This forms the basis of the contract between the owner and the vet or a suitable person to whom the vet has delegated that responsibility. We consider that transparency around costs and the true value of veterinary care is key to giving clients choice and facilitating the provision of contextualised care.
13. Additionally, transparency in relation to fees helps support the wider veterinary team, making it easier to discuss costs with clients. Charging appropriately for the provision of professional services should not be seen as detrimental to the profession's reputation for care and compassion. Veterinary practices must be financially sustainable businesses in order to be able to deliver good outcomes for animals and offer pro bono work for stray animals and wildlife. The veterinary team should be supported and enabled to speak confidently to clients about costs, without feeling apologetic for charging reasonably for appropriate professional services which are tailored to the specific circumstances and needs of both animal and owner.
14. To maximise the benefits associated with transparency of fees, we consider that clients should be invited and encouraged to discuss costs as early as possible. This normally means in advance

⁴ <https://www.bva.co.uk/media/5167/bva-the-value-of-veterinary-care.pdf> and <https://www.bsava.com/wp-content/uploads/2023/09/bsava-explainer-of-veterinary-costs.pdf>

⁵ <https://www.rcvs.org.uk/setting-standards/advice-and-guidance/code-of-professional-conduct-for-veterinary-surgeons/supporting-guidance/communication-and-consent/>

of treatment taking place, however, veterinary practices should also tailor their approach such that cost is discussed by the appropriate member of the veterinary team at the appropriate time. For example, where life-saving emergency care is required, it may be necessary for one team member to start delivering first aid, whilst another member of the team is responsible for obtaining consent and providing estimates.

Price lists for frequently offered services

15. Many practices already display price lists for their most frequently offered services, although we acknowledge the CMA's observation that over 80% of practices have no pricing information on their websites, even for routine consultations or vaccinations.
16. We consider that publishing a price list for more routine services can help to build client trust and act as a starting point to prompt and facilitate open conversations about contextualised care. However, the challenges and unintended consequences associated with displaying a standard price list must also be recognised, including the potential creation of loss-leaders as practices in the area compete for business, and inadvertently dissuading clients and potential clients from approaching the practice to discuss alternatives, thereby missing an opportunity for the provision of contextualised care.
17. When developing a price list for frequently offered services careful consideration is needed to ensure absolute clarity and reduce the risk of inaccurate comparisons by clients. These considerations include: whether the price is for a one-off service and whether there are any limitations associated with that service (e.g. duration or time of day/night); whether the price displayed is for a package of services (such as a vaccination course), what is included and what isn't; whether there are any factors unique to the animal which might influence the price, such as size/weight or age; the skills, qualifications and experience of the team member providing the care; whether the practice is part of the RCVS Practice Standards Scheme; and whether there is any follow-up care associated with the service which could result in an additional charge. Practices should also be clear on the difference between an estimate and a quote.
18. It should also be borne in mind that the majority of practices offer healthcare plans which include routine preventive health care and provide the most affordable option for clients to spread cost. This can mean that the headline cost of vaccinations and other routine preventative healthcare is unnecessary.

Shared vet-client responsibility

19. We strongly support the CMA's assessment that most pet owners will be very keen to do the best for their pet but will not have the expertise to understand the clinical value of different treatments unless they are clearly explained. The principle of a jointly owned vet-team-client approach to patient management is well accepted and understood by the veterinary profession as a key element to the provision of veterinary care, although it is not always well recognised by clients. This shared responsibility means that owners should be enabled to collaborate with their vet team on an approach to patient care which prioritises animal welfare whilst also taking into account client circumstances, wishes, and financial considerations.
20. We acknowledge the well-recognised challenges of presenting options to owners at a time when they are feeling anxious or emotional about their pet's condition. Handling such situations with compassion and clarity, while also being mindful of animal and human factors, goes to the heart of delivering veterinary care and is what motivates many veterinary professionals. Animal factors include factors such as welfare concerns, age, temperament, general health, and environment, while human factors include financial constraints, an owner's capabilities to be able to care for their animal, and personal preferences. All of this must be balanced with the skills and equipment that are available within a practice as well as potential referral options. We believe that using a

blunt regulatory tool intended as 'one-size-fits-all' to mandate communication of the range of treatment options would not improve client understanding of the choices available.

21. The primary motivation for clients to remain with a veterinary practice is the trust gained from an established vet-team-client-patient relationship and the empathy and service provided by that practice. We welcome the recognition of this in the CMA's initial review. It should be acknowledged that many elements of the delivery of veterinary care go far beyond simple financial metrics.
22. We recognise that consumers may be vulnerable due to the distress of an unwell pet or the need to make a decision quickly, however, we are extremely disappointed to see any suggestion in the CMA's report that veterinary professionals might prey on owners' desire to do the best for their pets by using these circumstances as a "strategy" to promote more sophisticated or expensive treatment. This behaviour would not be in line with the RCVS Professional Code of Conduct for veterinary surgeons. It should be noted that as part of offering owners a range of well-informed options, if a veterinary surgeon considers there are sophisticated diagnostic or treatment options that would benefit a patient, then it would be unacceptable if they did not propose them as an option.
23. We are also disappointed to see the suggestion in the CMA's report that the need to pay a second consultation fee when seeking a second opinion may be a potential barrier to alternative courses of treatment – it is not fair or reasonable to expect a veterinary professional providing a second opinion to provide their professional services free of charge.

Transparency of practice ownership

24. We agree that current approaches to transparency of practice ownership are variable. This means animal owners are not always clear about who owns their local vet practice.
25. The factors which animal owners take into consideration when choosing a vet surgery for their pet will vary depending on individual circumstances. Proximity and accessibility are likely to be key factors, and this has been borne out by the evidence from the CMA's Call for Information. Personal recommendation and pricing are also highly likely to be important to many pet owners. The extent to which ownership influences client decision-making is unclear, however, we agree that transparency of ownership, whether a vet practice operates independently or is part of a small group or large chain, plays an important role in helping pet owners to make an informed choice aligned with their preferences and values.
26. We consider that information about the ownership of a veterinary practice should be provided to clients both in the terms of business, readily obvious on the practice website, and at the practice premises, both as an information leaflet for clients and on branded material in the reception area. Clients should not have to search for such information.
27. However, the simple assumption that uniform branding of veterinary practices within the same group simplifies consumer decisions overlooks the diverse array of services, expertise, and pricing structures offered by practices under the same brand, potentially misleading clients and impacting their decision-making process. This is further complicated by the broad range of business and ownership models, as practices owned by the same group may differ in services, expertise, and pricing structures, leading to confusion among clients expecting consistency within a brand.
28. We support the CMA proposal to obtain the full set of evidence needed to investigate this specific concern further. However, we consider that the remedies needed to address this specific concern could be implemented swiftly and effectively through voluntary measures prior to the conclusion of a market investigation.

CMA Competition Concern 2: Whether concentrated local markets, in part driven by sector consolidation, may be leading to weak competition in some areas.

29. As already stated, proximity and accessibility are key factors for pet owners when choosing a veterinary practice. We agree, therefore, that local competition is important. We fully support healthy competition, consumer choice and diversity of business models as this enables clients to select from a wide range of veterinary service providers – whether vet practices are small independents or part of a large chain - choosing the best option for their needs and for the health and welfare of their animal.
30. The growth in corporate ownership of practices has significantly changed the veterinary landscape and has been the subject of debate within the profession for many years. We recognise that the market share held by the largest groups is now almost 60% and that many of those large groups have expressed an intention to continue expanding their business through the acquisition of practices.
31. We support the CMA proposal to obtain the full set of evidence needed to investigate this specific concern further. However, we urge extremely careful consideration of the potential unintended consequences of any targeted structural remedies such as divestments, which can lead to job losses and create additional workload for neighbouring practices, with the potential for an adverse effect on client choice. Care must also be taken that any remedies do not disproportionately negatively impact on small practices and start-ups.

CMA Competition Concern 3: Whether large integrated groups may have incentives to act in ways which reduce choice and weaken competition.

32. We agree with the CMA assessment that the expansion of large suppliers, and their integration with related services, creates the potential for significant efficiencies in terms of shared management costs and greater purchasing power, as well as improved investment in diagnostics and sophisticated treatment options. We also agree that this can bring benefits for clients, but also animal health and welfare. With technological advances, which give vets the ability to detect and treat more complicated medical cases, pet owners now have a much wider range of care options available to them.
33. Vets and RVNs are already required by the RCVS Code supporting guidance to ensure that an incentive does not distract them from their professional responsibilities towards animals and clients and, in some cases, should be declined, for example where they would not otherwise enter into that arrangement.⁶
34. Whilst we note the CMA assessment that favouring an in-group supplier, or 'self-preferencing', could mean that clients have a reduced choice of service provider and could lead to higher prices or a lower quality of service, we also consider that such self-preferencing for diagnostics, out-of-hours including continuity of care, or cremation services also has the potential to bring efficiencies which financially benefit the client. The key to informed choice which ultimately supports informed decision-making, is ensuring that where there are services associated with the practice and owned by the same company, this is clearly communicated to clients both in the terms of business and on the practice website and verbally communicated when presenting referral or crematoria options. It would be unreasonable to expect this to be explained in any great detail regarding options relating to laboratory tests given some of the variations in technical and legislative requirements. It should be borne in mind that if an unreasonable level of detail is required to be

⁶ <https://www.rcvs.org.uk/setting-standards/advice-and-guidance/code-of-professional-conduct-for-veterinary-surgeons/supporting-guidance/referrals-and-second-opinions/>

provided by veterinary staff this incurs more time and potentially impacts on resources and costs to the client. Overall, a pragmatic balance needs to be struck between the level of information imparted, the methods by which this is done and the impact on practice resources. Veterinary associations already have a range of resources available to support vets in explaining procedures to clients, similar to those used in the NHS, that minimise the impact on veterinary time.⁷

35. We support the CMA proposal to obtain the full set of evidence needed to investigate this specific concern further.

CMA Competition Concern 4: Whether pet owners might be overpaying for medicines or prescriptions.

Pharmacies

36. We note the CMA qualitative consumer research which indicates that many pet owners are unaware that they can buy animal medicines from pharmacies instead of from their vet. This comes despite the RCVS guidance which states that vets must advise clients, by means of a large and prominently displayed sign, or signs, (in the waiting room or other appropriate area), that prescriptions are available and that clients can also purchase veterinary medicinal products from another veterinary surgeon or pharmacy.
37. We consider that a concerted communications campaign to ensure that all veterinary practices are aware of and acting on the related RCVS guidance is needed⁸. Whilst in some instances it may not be in the best interests of the animal to delay dispensing by going to an online retailer, greater awareness of the option to do so could provide significant benefits to clients with pets suffering from chronic conditions which require long-term medication as online pharmacies can supply medicines more cheaply due to lower overheads and the benefits of economies of scale. However, it also needs to be borne in mind that there are costs involved in maintaining in-house pharmacies and if more prescriptions-only are supplied which do not lead to sales thereby resulting in reduced income for the practice, this could mean financial pressure to further increase the prices of medications supplied directly by veterinary practices.
38. It should also be made clear to clients that vets are unable to prescribe generic human medicines where there is a licenced veterinary medicine available, even if these are cheaper. This is often not recognised by clients who compare the price of veterinary medicines with similar medicines that may be available in a pharmacy for human use.

Prescriptions

39. We note the complaints received by the CMA from some veterinary practices that some online pharmacies sell medicines at prices lower than the prices available to practices via the wholesale channel. This as a concern which is frequently identified by our members. Although veterinary wholesalers are required to supply vets and pharmacies on the same terms for the same volumes, we believe it would be beneficial to investigate whether the regulatory regime is currently disadvantaging some veterinary practices and their clients, particular small independent practices. This could help determine whether clients are sometimes paying more than they might otherwise need to. Much of the medication used by a veterinary practice is given to animals who are inpatients at the practice, or it is dispensed for an acute medical condition that requires immediate treatment. In both these cases, it is not possible to source medication from a third-party pharmacy.

⁷ BSAVA Client Information Leaflets (CILs) e.g. <https://www.bsavalibrary.com/content/cil/procedures/urethrocystoscopy>

⁸ <https://www.rcvs.org.uk/setting-standards/advice-and-guidance/code-of-professional-conduct-for-veterinary-surgeons/supporting-guidance/fair-trading-requirements/>

40. We note with interest that thousands of respondents to the CMA call for evidence complained about high prescription fees. The RCVS is clear that vets may make a reasonable charge for written prescriptions, and we provided evidence from the SPVS fees survey which found the average prescription fee to be around £18 in 2023.
41. The 2001 Competition Commission review of dispensing, and subsequent decoupling of the right to prescribe and the right to dispense meant that veterinary practices, rightly and understandably, found it necessary to begin charging appropriately for professional services. When a client requests a prescription, the vet is required to take the time to check the animal is under their care, look at the clinical notes, assess the clinical need for ongoing medication, check the dose, and only then if the vet is satisfied can they issue the prescription. They may also call the client to check understanding and likelihood of compliance and may need to communicate with the pharmacy and answer questions about the prescription. This information will then be saved in the client notes and either emailed to the pharmacy or the client. This process is in line with RCVS and Veterinary Medicines Directorate (VMD) requirements as part of responsible prescribing.
42. As already indicated, there is no NHS for pets and as most people in the UK do not pay for their own healthcare at the point of delivery, many people have limited understanding of the true cost of delivering healthcare services. It is important to note that NHS prescription charges are subsidised by the government.
43. Whilst we recognise that some clients may consider they are being over-charged for prescriptions, we believe that ongoing activity to communicate the value of veterinary care and the true cost of providing professional services, will go a long way towards addressing these challenges.
44. We have concerns about the suggestion to require veterinary surgeons to provide prescriptions for medications that cover extended time periods. Vets would usually select the time period to match the clinical concerns about the animal and it is typically based on clinical judgement rather than restrictive practice. In addition, the RCVS Guidance on Under Care and that prescriptions issued for unnecessarily lengthy time periods would not be considered acceptable.
45. We support the CMA proposal to obtain the full set of evidence needed to investigate these specific concerns further. However, we consider that the remedies needed to address some of these specific concerns could be implemented through voluntary measures prior to the conclusion of a market investigation.

CMA Competition Concern 5: Whether the regulatory framework remains fit for purpose.

46. We strongly welcome the CMA's recognition that Veterinary Surgeons Act 1966 is significantly out-of-date and no longer fit for purpose. As the CMA acknowledges, the Act dates from before non-vets were able to own vet practices, and from long before the advent of large corporate veterinary groups.
47. Veterinary practices in the UK are regulated by the Veterinary Medicines Directorate in relation to the supply of veterinary medicines but in all other area the regulatory burden of veterinary practices is placed on individual veterinary surgeons and RVNs. With no statutory regulation that is specific to veterinary practices, there is no means of recourse when there are failings in the system that do not sit with the individuals regulated by RCVS. We consider, along with RCVS, that it is reasonable for the public to expect that all veterinary practices are assessed to ensure that they meet at least the basic minimum requirements and to differentiate between practices in terms of some aspects of 'value'. As such, we are calling for regulation of all veterinary practices.

48. We welcome the CMA proposal to examine whether the right combination of regulatory requirements and enforcement mechanisms exist to help produce outcomes that would be consistent with a market that is working well.

Market investigation reference and scope:

Do you consider that our analysis is correct with respect to the reference test being met in relation to the supply of veterinary services and related services for household pets in the UK?

Do you agree with our proposal to exercise our discretion to make a reference in relation to the supply of veterinary services for household pets in the UK?

Do you consider that the proposed scope of the reference, as set out in the draft Terms of Reference would be sufficient to enable any adverse effect on competition (or any resulting or likely detrimental effects on customers) caused by the features referred to above to be effectively and comprehensively remedied?

49. We agree that the CMA analysis as set out in Section 3 of your Report is correct with respect to the reference test being met in relation to the supply of veterinary services and related services for household pets in the UK. We therefore also agree with the CMA proposal to make a Market Investigation Reference. However, we also consider that some of the areas of provisional concern identified by the CMA have the potential to be addressed at least in part through voluntary measures. These include availability of information about fees and practice ownership, as well as improved transparency around client options for purchasing prescribed medicines.
50. We agree that the scope of the market investigation reference should be limited to the supply of veterinary services for household pets in the UK. We would urge careful consideration of the potential impacts on other types of veterinary practice, for example 'mixed' practices in remote areas where there is already limited veterinary care, before any remedies are implemented.

Remedies and other measures

Do you have any views on our current thinking on the types of remedies that an MIR could consider? Are there other measures we should consider?

51. **Quality/outcome related measures** We have significant concerns about the suggestion that practices might be mandated to provide information to consumers about quality/outcome related measures. In clinical practice such data are simply not always or readily available. Whilst vets always try to carry out evidence-based veterinary medicine, the available data can be scant and complex to interpret. The large-scale population studies that allow clinical outcomes in human medicine to be evaluated are extremely rare in veterinary contexts. In addition, the veterinary profession does not have an equivalent to the National Institute for Health Care and Excellence (NICE). NICE is publicly funded, and therefore an analogous organisation would be difficult or impossible to establish for vets. Without this type of global quality standard setting, any expectation on vets to publish clinical outcome measures risks jeopardising contextualised care and evidence-based medicine. Given that background, mandating the need for such outcome-based evidence would undermine vets. We do not see primary concerns about the quality of veterinary treatment and so this would not meaningfully support consumer choice. Instead, it would be likely to exacerbate many of the challenges faced by veterinary professionals who are already under significant personal pressure.

Do you have any views on areas where we should undertake further analysis or gather further evidence as part of an MIR in relation to the supply of veterinary services for household pets in the UK? We would particularly welcome any specific evidence from respondents in support of their views.

- 52.** We have heard concerns from members about elements of the insurance market including pharmacies owned by insurance companies and insurance companies restricting consumer choice by dictating where referrals should go. It could be helpful to gather information on this as part of an MIR.