

Joint response to the Competition and Markets Authority Issues Statement

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 three 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 provide a supportive membership community offering representation and industry-leading guidance for leaders in veterinary practice.
 - 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 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 subsequently responded to the CMA consultation on a proposed Market Investigation Reference. We were clear that we are keen to see healthy competition and consumer choice, recognising that some of the areas identified by the CMA would benefit from further scrutiny. We expressed disappointment at the suggestion in the CMA's report, as well as in subsequent media

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

reporting, 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. Vets enter this high-pressure profession out of genuine care for animals and will always prioritise their health and welfare.

6. We also raised significant concerns about the suggestion that practices might be mandated to provide information to clients about quality or outcome-related measures, which would be extremely challenging to deliver and would not meaningfully support consumer choice.
7. We greatly appreciated the subsequent opportunities to engage with the CMA as the review progressed, both in person at BVA Live and in remote meetings. In particular we welcomed the opportunity to discuss the concept of contextualised care which 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.
8. We also delivered a Teach in, jointly with BVNA, covering subjects which should be factored into the CMA investigation: regulation, animal welfare, contextualised care, communication, referrals and telemedicine. In particular we highlighted the importance to the veterinary professions of animal welfare and the vet-client-patient relationship.
9. Separately, BSAVA met with the CMA to explain their role as a veterinary member association within the small animal veterinary landscape. Subsequently CMA designated BSAVA as a Main Party for the purpose of the Market Investigation.

Potential remedies

Category 1: Improving transparency and helping people make good choices

Mandating what information should be provided to customers, as well as how and when this should be provided, in order to make it easier for pet owners to make an informed choice when selecting a FOP. This could include information on pricing (possibly for a standardised list of treatments), ownership of veterinary practice, quality/outcome-related measures.

10. We agree that competition is unlikely to work well if clients are unable to understand and compare different options and prices.

Price lists

11. With regard to displaying prices for a standardised list of treatments, we have previously stated that many practices already display price lists for their most frequently offered services, although we also acknowledge the CMA's observation that over 80% of practices have no pricing information on their websites, even for very routine services such as consultations.
12. As outlined in our guidance for the veterinary profession on transparency and client choice², we consider that transparency around costs and the true value of veterinary care is key to giving clients choice and facilitating informed consent. 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, as well as help support the wider veterinary team to discuss costs with clients.

² <https://www.bva.co.uk/media/5766/bva-transparency-and-client-choice-guidance.pdf>

13. Developing a price list for frequently offered services is not without its challenges. Each veterinary practice will need to give careful consideration 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 an aggregate price (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 there is any follow-up care associated with the service which could result in an additional charge.

14. As there will be variations across veterinary practices and different business models in the services offered, the equipment available, and the staff employed, there will necessarily be variations in what constitutes a list of most frequently offered services. Examples of standard services which most practices should be able to display as either a fixed price or as a range include:

- a standard consultation with a vet;
- a vaccination or course of vaccinations;
- neutering services for cats and dogs;
- prescription fees;
- insurance administration fees;
- microchipping;
- out-of-hours charges.

However, practices will also tailor price lists to display those services which are most relevant to their particular client base.

15. There are also challenges and potential unintended consequences associated with displaying a standard price list, which we urge the CMA to consider, including the potential creation of loss-leaders as practices in the area compete for business, resulting in further complexity and cross subsidisation of fee structures, and inadvertently dissuading clients and potential clients from approaching the practice to discuss alternatives.

16. We robustly challenge the CMA's theory of harm that veterinary practices, by presenting limited information on price to clients at the point of sale, lack incentives to offer a range of treatment options at attractive prices. As we have previously explained, the delivery of contextualised care - appropriate and proportionate care tailored to the needs of both the client and the animal - is the bedrock of veterinary service provision alongside a primary concern for animal welfare. The important relationship between vets and their clients and the principle of a jointly owned vet-client approach to patient management has always been critical to optimising animal welfare outcomes, through the provision of contextualised care.

17. Optimising animal welfare is the absolute priority of vets and vet nurses, who both take an oath on admission to the profession:

"I PROMISE AND SOLEMNLY DECLARE that I will pursue the work of my profession with integrity and accept my responsibilities to the public, my clients, the profession and the Royal College of Veterinary Surgeons, and that, ABOVE ALL, my constant endeavour will be to ensure the health and welfare of animals

*committed to my care.*³

18. We strongly support greater transparency in relation to price lists for most frequently offered services. However, we also support flexibility for individual veterinary practices to display the prices most relevant to their clients, and in such a way that client understanding, and therefore client choice, is maximised.

Ownership

19. We agree that current approaches to transparency of practice ownership are variable, which means animal owners may not always be clear about who owns their local vet practice or whether it is part of a corporate group.
20. We consider that the factors which animal owners take into consideration when choosing a veterinary practice will vary depending on individual circumstances. We previously suggested that proximity and accessibility are highly likely to be key factors, and this was borne out by the CMA commissioned market research which found that *“The primary driver in the choice of a veterinary practice was proximity to the pet owner’s home and, in some cases, place of employment. But considerations such as the ease of accessing the practice by private car or public transport were also taken into account.”*⁴
21. The same report also found that the majority of owners felt that the level of care demonstrated by the individual vet towards their pet was more important than whether the veterinary practice was independent or part of a chain.
22. We consider that information about the ownership of a veterinary practice should be provided to clients in the terms of business, readily available on the practice website, and at the practice premises, through clear signage, as an information leaflet for clients and on any branded print materials. Clients should not have to search for such information.
23. However, the 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.

Quality / outcome related measures

24. We have already raised significant concerns about the suggestion that practices might be mandated to provide information to consumers about quality/outcome related measures. Such data are rarely available from clinical practice and, where they are available, they are unlikely to be statistically significant enough to be meaningful. Furthermore, the variability in case complexity, treatment protocols, and patients makes it challenging to standardise such measures across different practices. This variability could lead to misleading comparisons and potentially misinform consumers rather than aiding them in making informed decisions. It is crucial to consider these limitations and the potential unintended consequences of mandating the provision of these data.
25. RCVS Knowledge plays a leading role in developing and emphasising the importance of quality improvement tools including the use of appropriate outcome measures. However, the large-scale

³ <https://www.rcvs.org.uk/setting-standards/advice-and-guidance/code-of-professional-conduct-for-veterinary-surgeons/>

⁴ https://assets.publishing.service.gov.uk/media/65eedd9d62ff4898bf87b261/Qualitative_Research_on_Pet_Owners_Experiences_of_Buying_Veterinary_Services_in_the_UK.pdf

population studies that allow clinical outcomes in human medicine to be evaluated are extremely rare in veterinary contexts, with no veterinary equivalent to the publicly funded National Institute for Health Care and Excellence (NICE).

26. We are strong supporters of evidence-based veterinary medicine but while the currently available data are scant, any move to mandate practices to provide information to consumers about quality/outcome related measures could undermine vets and jeopardise contextualised care.
27. One of the most complex aspects of the veterinarian-client-patient interaction is the clinical decision-making process, with research suggesting that the approach to communication used by veterinarians can impact veterinary clients' involvement in the decision-making process and their ultimate satisfaction. Using different approaches to the decision-making process may affect how information is exchanged and consequently how decisions are made. The study "Pet owners' and veterinarians' perceptions of information exchange and clinical decision-making in companion animal practice"⁵ found that pet owners expect to be supported by their vet to make informed decisions by understanding the client's current knowledge, tailoring information and educating clients about their options. Pet owners' emphasis on partnership suggests that a collaborative approach between veterinarians and clients may improve client satisfaction.
28. Clinical decision-making as part of the crucial vet-client-patient relationship is far more complex than the provision of quality / outcome related data and we fail to see how mandating the provision of such data, where they exist, would meaningfully support consumer choice. Instead, there is a risk to animal welfare if the perception of the provision of veterinary care is diminished to equivalence to an annual service on a vehicle where a client might shop around for the best value locally available.
29. We strongly advocate for any move to utilise outcome-based measures in clinical practice to come from the profession with animal health and welfare at its heart, rather than being mandated by the CMA.
30. Rather than attempt to mandate the provision of quality / outcomes related measures where data are simply not yet available and measures may be ill-defined, we consider that there is an opportunity to build on the excellent work of RCVS Knowledge, which is well advanced for canine cranial cruciate ligament repair⁶, through more effective data gathering at a local and national level. In the first instance, encouraging local audit at a practice level, and sharing that information with clients, is a key first step in facilitating client understanding, allowing practices flexibility to tailor their communication to the needs of their clients. In the longer term, a move towards standardised data collection at a national level, appropriately funded and perhaps building on systems such as SAVSNET⁷ established by BSAVA and currently funded by BBSRC, would support vets to build conversations about expected outcomes into consultations with clients such that animal welfare is optimised, and client choice is better informed.

⁵ <https://journals.plos.org/plosone/article?id=10.1371/journal.pone.0245632>

⁶ <https://knowledge.rcvs.org.uk/quality-improvement/canine-cruciate-registry/>

⁷ <https://www.liverpool.ac.uk/savsnet/>

Mandating what, how, and when information is provided to customers to help give them more or better choice about treatments/tests and providers of related services such as referral centres and crematoria. This could include information on the range of options open to them, pricing, ownership of related services, quality/outcome-related measures, level of expertise of related services.

Consultation skills

31. Transparent and honest discussions about treatment and diagnostic options are one of the foundations of veterinary practice and the veterinary profession itself is well suited to considering effective strategies for improving communication of treatment options.
32. The science and development of veterinary consult skills have evolved significantly over recent years. Research has demonstrated that effective communication between vets and clients is crucial for delivering improved client satisfaction, successful clinical outcomes, adherence to treatment plans, and overall animal health. Consequently, veterinary schools have incorporated structured consultation models into their curricula to ensure graduates are well-equipped with these essential skills.
33. The Cambridge-Calgary model of veterinary consultation skills is one of the most prominent frameworks and is an adaptation of the original medical consultation model designed for veterinary practice. It emphasises building rapport, gathering comprehensive patient history, performing clinical examinations, and discussing treatment plans. The model aims to enhance client satisfaction, improve diagnostic accuracy, and ensure that care decisions are well-informed and collaborative. This model is the foundation of consult skills taught in UK veterinary schools, as well as internationally, and used by practising vets.
34. Mandating exactly how information about treatment and diagnostic options should be provided to animal owners would present significant challenges for veterinary professionals. Such mandates would be extremely difficult to regulate and enforce, adding undue pressure on vets and conflicting with well-established consultation skills, such as those employed when using the Cambridge-Calgary model, which emphasise contextualised care. A mandated approach could undermine the quality of care by forcing vets to follow rigid protocols rather than tailoring advice to the specific needs of owners and their pets, which is entirely contrary to the principle of contextualised care. Overloading clients with choices can lead to confusion and dissatisfaction rather than aiding decision-making, may even erode trust by giving the impression that the vet is unsure or unable to give their professional opinion, and could increase cost and complexity.
35. If there is any consideration to mandating specific communication practices and information dissemination protocols, we believe that it is essential that the CMA is fully aware of the extensive research and educational frameworks behind veterinary consult skills^{8,9}. Without such understanding there are likely to be unintended consequences both to UK practice and in the ability of UK vets to develop such skills in the future alongside our international colleagues.

Centralised resource

36. We consider that it would be more appropriate for there to be a centralised resource for pet owners to understand the processes of veterinary care and access information about different health conditions and the range of treatment options. Currently, one of the weaknesses in veterinary care is the absence of a central repository of information for veterinary surgeons to direct animal owners to, similar to the excellent resources available on the NHS website for human conditions. Establishing a comprehensive, centralised repository, potentially managed by

⁸ Shaw, J.R. and Coe, J.B., 2024. *Developing Communication Skills for Veterinary Practice*. John Wiley & Sons.

⁹ Gray, C. and Moffett, J. eds., 2013. *Handbook of veterinary communication skills*. John Wiley & Sons.

an organisation such as RCVS Knowledge, would be far more beneficial than mandating the provision of information on an individual basis. This resource would provide accurate, evidence-based information to clients, thereby enhancing their understanding and expectations of veterinary care. It is also crucial that this information is presented in a format that is accessible to individuals with a wide range of understanding, ensuring that all pet owners can make informed decisions about their pets' health.

Referrals

37. Few vets and veterinary practices, if any, can do everything, and referrals are an essential part of providing a full package of services. Referrals can be to a range of other professionals and services, including cremation facilities, laboratories and more specialised veterinary colleagues.
38. Ensuring appropriate care for animals often requires referral to specialists. This practice involves considering the animal's health needs alongside accessibility and convenience for the client. Referrals are also based on close professional relationships between referring and referral clinicians. Over time, these relationships build a deep understanding of skills (for example post graduate RCVS recognised training compared to on-the-job experience), expertise, possible costs, waiting times, type/level of follow up/after care and availability of telephone support, which in turn builds confidence for the referring vet that they can be confident in their referral. This also means they are better placed to prepare clients on what to expect.
39. A referral is not merely a transactional arrangement between service providers. It is important to recognise that referral practices typically need to make their own assessment of the patient before offering a professional opinion and an estimate of costs involved. This process helps the animal owner make informed decisions about the appropriate next steps and likely costs involved. Sometimes a referral consultation will be all that takes place, once the client has discussed all the options and likely outcomes with the referral vet, with not all referral consultations necessarily leading to further investigations or surgery. The FOP may not be in a position therefore to give an exact cost of the referral, with a range much more likely.
40. The act of referring, and the discussion which takes place between vet and client, is part of the crucial vet-client-patient relationship and the provision of contextualised care. As such, vets will already prioritise communicating the right information at the right time, in the context of the needs of both the client and animal.
41. In line with our views on quality / outcomes measures detailed above, mandating the provision of such data in the context of the referrals process risks jeopardising contextualised care.

Self-preferencing

42. We do, of course, agree that where there are services associated with the practice and owned by the same company, this should be clearly communicated to clients both in the terms of business and on the practice website and should also be verbally communicated when presenting referral options. Clients should be given clear information that is succinct and adequate to support them in making an informed choice as to the care that best fits their needs and those of their pet. We do not, however, agree that 'self-preferencing' means that clients have reduced choice or leads to higher prices or a lower quality of service. Such self-preferencing for diagnostics, out-of-hours, and cremation services has the potential to bring efficiencies which financially benefit the client, and improve animal welfare outcomes. In addition, it should be kept in mind that if practice staff are required to provide multiples options (eg for diagnostic laboratory tests, this will add complexity, time and administration to the consultation process which could incur a further cost for the owner.
43. It should of course always be made clear to the client where self-preferencing is occurring, and

there could be merit in practices developing information leaflets for clients on the usual approach to referrals within their particular business model. However, regardless of business model, vets should never be obliged by their employer to self-preference when, in their professional opinion, referral elsewhere would be more appropriate for animal welfare reasons.

Measures to enable the development of tools to allow consumers to access and utilise pricing and quality information. This could include ‘open data’ solutions to facilitate the provision of comparison tools, such as websites where consumers can compare veterinary practices.

Comparison tools

44. Communicating options to owners, particularly at a time when they are feeling anxious or emotional about their pet’s condition, requires professional knowledge and expertise applied with compassion and clarity, while also being mindful of animal and human factors. This goes to the heart of delivering veterinary care and is what motivates many veterinary professionals.
45. A ‘one-size-fits-all’ approach in the shape of a comparison tool for pricing and quality information risks diminishing the value of veterinary care and fails to take into account the critical importance of contextualised care, including animal factors and human factors, all of which must be balanced with the skills and equipment that are available within a practice as well as potential referral options.
46. Practices viewed as ‘desirable’ by prospective clients, based on a comparison website output, may not always be able to accept additional clients, leading to potential client dissatisfaction when registering with their second or third choice practice. This could present unnecessary challenges for building a rapport with the client, with the potential for avoidable negative impacts on animal welfare.

Annual ‘wake-up’ letters from vet practices to pet owners registered with them to reconsider their choice of FOP.

Wake-up letters

47. The suggestion of an annual ‘wake-up’ letter from vet practices to clients challenges the central importance of the vet-client-patient relationship (VCPR) and the continuity of care it provides.
48. Such a requirement is usually reserved for transactional industries / services such as insurance or utilities providers where customers are prompted to review whether they are still getting the best deal for their money. This is far removed from the way in which veterinary care is delivered and valued, where the VCPR is key to achieving long-term good animal welfare outcomes, through reliance on a consistent and thorough understanding of the patient’s medical history, behaviours, and needs alongside an understanding of the client’s circumstances and how these relate to the provision of care. Veterinary practices have longstanding relationships with clients that often exist over several generations of pets and it is these relationships that aid the sort of good client communication aspired to both by the profession and the CMA. Encouraging clients to frequently reconsider and possibly switch their veterinary practice undermines this relationship, potentially leading to fragmented care, miscommunications, and a lack of comprehensive medical records, which risks causing animal welfare harms.
49. A strong VCPR builds trust and effective communication, allowing vets to thoroughly understand an animal’s medical history and their and their owners’ unique needs and circumstances. It is a key foundation in providing clients with the information needed to make informed decisions about treatment options and their animals’ health and welfare. Conversely, clients who frequently switch practices risk fragmented care and fail to build a strong relationship with a practice they trust,

potentially leading to suboptimal treatment and communication, and additional cost associated with the professional time needed to assess the new patient and establish a new VCPR. Establishing and maintaining a strong VCPR is essential for ensuring continuous, high-quality veterinary care.

50. The CMA's market research found that the three main reasons for switching veterinary practice were breakdown in trust, lack of empathy and service, and accessibility. Fostering a strong, long-term relationship between a vet and their client builds trust and allows for more personalised and effective care. Disrupting this relationship annually could lead to reduced trust, poorer health outcomes for pets, and increased anxiety for pet owners.

Mandatory information to be provided to customers (and its form and timing) regarding the price of medicines separately from other charges (eg the consultation or prescription fee) and their right to purchase medicines from a third party, where appropriate, and to obtain more than 1-3 months' supply of medicines at a time, where appropriate.

Written prescriptions

51. As we have previously stated, the RCVS Code of Conduct is clear that vets may make a reasonable charge for written prescriptions, clients should be provided with adequate information on medicine prices, and clients should be informed of any significant changes to the practice's charges for prescriptions or medicines at the earliest opportunity to do so. The Code is also clear that clients may ask for a prescription where appropriate and obtain medicines from another vet or pharmacy.¹⁰
52. In our guidance on transparency and client choice we are clear that there should be a consistent approach which includes:
- proactively offering a prescription where clinically appropriate and providing clients with dispensing options.
 - clear communication regarding the cost of a written prescription, the reasons for the length of the prescription, and any further charges for repeat prescriptions and associated further examinations.
 - a quote for the cost of purchasing the prescribed product directly from the prescribing practice.
 - signposting to the Veterinary Medicines Directorate (VMD) Accredited Retailer Scheme where appropriate.

As such, we support the suggestion that clients should be made aware of their right to purchase medicines from a third party. However, we would caution against any move towards complete decoupling of prescribing and dispensing, which could reduce client choice as online pharmacies monopolise the market and inadvertently lead to an overall increase in the cost of medication.

53. Any market remedies which drive increased online purchasing of veterinary medicines may inadvertently limit the variety of options available to clients, as smaller, independent veterinary practices could struggle to compete with the pricing and convenience offered by these larger online entities. This could lead to a greater consolidation of the market, ultimately resulting in fewer choices for consumers and potential price increases over time due to reduced competition.

Prescription length

54. We have significant concerns about the suggestion to require veterinary surgeons to provide

¹⁰ <https://www.rcvs.org.uk/setting-standards/advice-and-guidance/code-of-professional-conduct-for-veterinary-surgeons/supporting-guidance/practice-information-and-fees/>

prescriptions for medications that cover extended time periods. Vets typically select the time period for a prescription based on several factors, including the specific medical needs and condition of the animal, the nature of the illness or injury, stability of the condition, and anticipated response to treatment, as well as taking into consideration the availability and shelf-life of the medicine being prescribed. Mandating longer prescription periods without allowing vets to exercise their clinical judgement and allowing for regular clinical evaluations could pose a serious threat to animal welfare. There is a real danger that prescribed medication could be continued inappropriately without timely clinical check-ups, leading to potential issues such as the development of resistance to medications, unmonitored side effects, or the progression of health conditions.

- 55.** Additionally, animal owners frequently misunderstand the need for repeat examinations and may be focused disproportionately on cost, which can result in them prioritising savings over necessary ongoing veterinary care. This misunderstanding and cost-focused perspective can further exacerbate the risks associated with extended prescriptions. It is essential that vets are able to retain their professional autonomy in matters of responsible prescribing and dispensing.

Category 2: Price / charging remedies

We could consider imposing maximums for prescription fees, or maximum prices or mark-ups for other services (eg cremations)

Prescription fees

- 56.** We know that thousands of respondents to the CMA call for evidence complained about high prescription fees. As we have previously explained, 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. All of this takes time, which could otherwise be used doing appropriately charged-for clinical work.
- 57.** Prior to the 2001 Competition Commission review of dispensing, the professional time devoted to the process of prescribing was not given a clear value. One of the findings of the Competition Commission at the time was that the pricing of veterinary medicines, to a greater or lesser extent, subsidised professional fees. The subsequent CMA advisory note on the rights and obligations created by the Supply of Relevant Veterinary Medicinal Products Order 2005 and the RCVS Code of Conduct highlighted that the veterinary profession tended to understate the true cost of their professional services and offset this in their medicines pricing.¹¹
- 58.** The partial decoupling of the right to prescribe and the right to dispense has meant that veterinary practices, rightly and understandably, are now much more likely to charge properly for professional services. The RCVS is clear that vets may make a reasonable charge for written prescriptions, and we have provided evidence from the SPVS fees survey which found the average prescription fee to be around £18 in 2023.
- 59.** Imposing a maximum charge for issuing a written prescription may appear to be a pragmatic solution which is likely to be initially well-received by the media and consumers. However, such a move is likely to result in prescription fees becoming standardised, potentially at that maximum level, with all clients paying the same. This fails to take into account regional differences, variations in client base, and different business models, which could ultimately have a detrimental impact on those clients who are less able to afford veterinary care. If veterinary businesses feel

¹¹ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/514379/Vets-rights_and_obligations_-_CMA_advisory_note.pdf

the fee for a prescription does not cover the time and resources required to issue it, they will simply make up the deficit in other charges, such as increasing the basic consultation fee. Improved transparency around prescription fees could be as effective at addressing consumer concerns, while minimising the unintended consequences.

Mark-ups

60. With reference to cremation services, the CMA commissioned market research which found that pet owners felt relieved that their veterinary practice had taken the lead in dealing with cremation arrangements, and they were happy to leave the choice about which cremation provider to use to their vet. Although this also means that the costs associated with such a service were rarely questioned by the client, we take exception to any inference that vets might take advantage of distressing circumstances to unreasonably mark-up costs.
61. Mark-ups on cremations are justifiably applied as there is a degree of resource needed by the practice, such as handling, storage, or transportation. Different business models apply mark ups according to the margins needed to ensure that the business remains viable. Imposing limits on mark ups on some services, such as cremations, could disproportionately impact particular practices and would almost certainly mean that the margins lost would need to be achieved elsewhere. Such an approach also fails to take into account supplier factors and external dependencies which cannot be absorbed by the practice. A more transparent alternative to a mark-up is a fee for handling/storage (for cremations) or handling/postage/interpretation (for lab fees)

Category 3: Market opening remedies

Could include targeted structural remedies, whether in relation to FOPs in some local areas and/or some related services.

Targeted structural remedies

62. As already evidenced, proximity and accessibility are the primary factors for pet owners when choosing a veterinary practice and we therefore agree that local competition is important. We have always fully supported healthy competition, consumer choice and diversity of business models such that clients are enabled to select from a range of veterinary service providers, choosing the best option for their needs and for the health and welfare of their animal.
63. It is well recognised that the growth in corporate ownership of practices has significantly changed the veterinary landscape. 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.
64. We urge careful consideration of the potential unintended consequences of any targeted structural remedies such as divestments. Such remedies could 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, or those practices in remote and rural areas, including mixed practices.

Recommendations for other bodies

We intend to explore whether there are changes needed to the regulatory framework about how ‘contextualised care’ is offered and experienced in practice, to address the issues identified in paragraphs 68 to 74;

Contextualised care

- 65.** The expansion of large corporate groups, and their integration with related services, creates the potential for significant efficiencies and greater purchasing power, as well as improved investment in diagnostics and sophisticated treatment options. This can bring benefits for client choice and is in line with client expectations, which are in part influenced by TV programmes highlighting cutting-edge veterinary treatments. Along with advances come increased investment costs as practices acquire the necessary equipment and develop the clinical skills of the team. The availability of a growing number of sophisticated options should not be at odds with the principles of contextualised care.
- 66.** Contextualised care should not be seen as lower standard. Most pet owners will be very keen to do the best for their pet and clients may feel less willing to be open and honest about their preferences if quality of care is perceived to be directly related to cost and ability to pay.
- 67.** Practising vets can experience cases where sophisticated treatment options may be driven by pressure from animal owners to do as much as possible to assist their pet and sometimes unrealistically try and keep the pet alive at all costs, particularly when they have seen successful case studies on TV programmes. As part of delivering contextualised care, it is common for vets to have conversations with clients about whether such treatments are appropriate for their animals. To ensure optimal animal welfare within the forefront of veterinary clinical practice, ethical decision-making is crucial and this is a key component of contextualised care.
- 68.** We are concerned about the potential shift from contextualised care to a “choice-oriented care approach” where all clients are offered choices irrespective of their circumstances and without due consideration for animal welfare. Offering unaffordable options as superior choices can cause emotional distress to clients and undermine their trust in vets, particularly if they feel burdened with making critical medical decisions they feel ill equipped to handle. Greater choice does not necessarily always lead to better animal welfare outcomes or improved client satisfaction, and can result delayed decision making and the erosion of the VCPR.
- 69.** The principle of a jointly owned 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.
- 70.** We believe that the current regulatory framework is sufficiently robust to support the delivery of contextualised care. Implementing additional regulatory changes could lead to unintended consequences for both veterinary professionals and animal owners, potentially complicating the decision-making process and undermining the trust between vets and clients. Instead, emphasis should be placed on enhancing communication and understanding to ensure that care is tailored appropriately to each individual situation.

We intend to explore whether there are changes needed to the regulatory framework for animal medicines to address the issues identified in paragraphs 86 to 90;

Use of generic medicines

71. Veterinary surgeons must abide by the Veterinary Medicines Regulations and prescribe medication according to the Cascade. They are unable to prescribe generic human medicines, 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.
72. Animal medicines sometimes cost considerably more than chemically identical human equivalents because animal medicines have to undergo completely separate licensing processes with different costs, and with a potentially much smaller market from which to recoup both licensing and R&D expenditure. Human equivalents are not necessarily chemically identical to veterinary medicines. In some cases, a different formulation may be needed due to different bioavailability.
73. The paper 'Current challenges facing the determination of product bioequivalence in veterinary medicine' highlights the difficulties and risks in comparing absorption, distribution, metabolism and excretion (ADME) of veterinary licensed and generic medicines.¹² Vets are required by the Cascade to use veterinary licensed products where they exist, with a significant part of the rationale behind this ruling being that the ADME particulars of any veterinary licensed medication have been tested fully. Veterinary professionals can therefore trust that the licensed veterinary product is being absorbed, performing its intended function effectively, and being excreted reliably. We do not always have this reassurance with generics. In order to use generics responsibly we would need to be assured that in the case of each and every drug the ADME profile is comparable to the licensed brand.
74. It is not for a vet to judge a client's financial means per se, and affordability is not, and cannot legally be, a justification for moving down the steps of the Cascade¹³. Within the setting of contextualised care vets will already be discussing a range of treatments, including their likely effectiveness and cost, but it would be irresponsible to suggest an unlicensed generic on the basis of cost, especially where that unlicensed product may not work, may result in underdose or overdose, or may even cause harm. In these situations, using a licenced, alternative, cheaper drug would be preferable.
75. Allowing more flexibility in prescribing generic medications under the Cascade could lead to significant reductions in the use of certain licensed products. This could lead to a reduction in investment in R&D of new molecules. The relatively small veterinary market just could not support the cost of R&D if they were in competition with generic drugs.
76. Divergence from the cascade could also have implications for our current and future alignment with the EU, with the potential for significant impact on the specific challenge of veterinary medicine supply in Northern Ireland. The challenge to veterinary medicine supply in Northern Ireland stems from the impending end of the Brexit grace period in December 2025, after which EU rules will fully apply, potentially making many veterinary products unavailable. This situation is further complicated by any regulatory divergences between the UK and EU, requiring complex negotiations to find a viable solution. The disruption of veterinary medicines supply in Northern Ireland could significantly impact animal health and welfare, public health, and the agricultural economy. It may lead to difficulties in disease control, increased costs, regulatory challenges, and ethical dilemmas for veterinary professionals, highlighting the urgent need for a sustainable solution.¹⁴

¹² Martinez MN, Hunter RP (2010). 'Current challenges facing the determination of product bioequivalence in veterinary medicine', *Journal of Veterinary Pharmacology and Therapeutics*. 33(5), 418-33

¹³ <https://www.rcvs.org.uk/setting-standards/advice-and-guidance/code-of-professional-conduct-for-veterinary-surgeons/supporting-guidance/veterinary-medicines/> para 4.32

¹⁴ https://www.farminguk.com/news/stormont-raises-deep-concern-around-future-of-vet-medicines-in-ni_64739.html

77. It may be useful to consult with the National Office of Animal Health (NOAH)¹⁵ for a more detailed understanding of veterinary medicines licensing.

We intend to explore whether the development of comparison tools and ‘open data’ solutions could facilitate entry and expansion, for example, by supporting the growth of new business models such as telemedicine or increasing competition from independent referral centres which do not have their own chain of FOPs from which to draw customers, to address the issues identified in paragraph 98;

Open data solutions

78. We support the development of 'open data' solutions to enhance veterinary services and support improvements in the delivery of veterinary care.
79. Veterinary practices use a large variety of practice management systems and there is currently no common open data solution that would improve information exchange and interoperability between veterinary practices. Such a solution would be very welcomed by the veterinary profession and has been explored by the VetXML Consortium¹⁶. However, it would need to be further developed and widely adopted. It would require significant financial and technological investment from within the sector and could have a significant impact on the market for practice management systems.

Telemedicine

80. We are keen to support a diversity of business models within the veterinary industry, however, when considering the growth of new business models such as telemedicine, it is essential to recognise the value of the VCPR in supporting animal owners to make well-informed decisions about the health and welfare of their pets. Telemedicine should complement, rather than replace, in-person examination of animals, particularly for initial diagnoses and complex cases. It is essential to ensure all new services meet the same high standards and regulatory requirements as traditional practices in order to benefit consumers, while safeguarding animal welfare and the integrity of veterinary care.

We intend to explore whether an additional system for consumer redress would address the issues identified at paragraph 100.

Consumer redress

81. The Issues Statement appears to raise concerns about the adequacy of consumer redress mechanisms in the veterinary services market. It is unclear what specific areas the proposed redress system would address. This lack of clarity makes it difficult to fully evaluate the necessity and potential impact of such a system.
82. While the CMA investigation falls under consumer protection, the CMA's primary role is to ensure competitive markets. The investigation should remain closely tied to the CMA's remit of promoting competition and protecting consumers to avoid overstepping its scope. We also note this matter was not raised in the CMA Board Advisory Steer.
83. The RCVS Code of Professional Conduct includes information on handling complaints. Veterinary practices are encouraged to have a clear and accessible internal complaint handling procedure.

¹⁵ <https://www.noah.co.uk/>

¹⁶ <http://www.vetxml.co.uk/en/>

This allows clients to voice their concerns and receive timely responses. Such procedures should outline the steps for investigating and resolving complaints within the practice.

- 84.** The RCVS oversees professional conduct and fitness to practise, but issues of negligence are typically addressed through civil courts, which are the appropriate mechanism for determining such liability. Many concerns are more appropriately handled as civil claims rather than through RCVS complaints. Recognising this distinction is crucial to ensure that each concern is addressed through the correct process.
- 85.** The Veterinary Client Mediation Service (VCMS) also has an important part to play in redress, as a voluntary, independent, and free mediation service¹⁷. The service is provided by Nockolds, who specialise in complaint mediation in regulated professions. This means it is completely impartial and each complaint is considered in a fair, timely and efficient way so that the veterinary professional and client can move on.
- 86.** We would caution against the creation of another process for consumers to obtain redress. We believe that adding an additional layer would have little benefit and lead to increased costs of regulation, which may ultimately be passed on to consumers.

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¹⁷ <https://www.vetmediation.co.uk/>