

Veterinary Client Mediation Service

Response to CMA Statement of Issues published on 9 July 2024



The Veterinary Client Mediation Service is funded by the RCVS and offers complaint mediation and resolution for animal owners and veterinary practices. The VCMS is operated by Nockolds Resolution and is an Approved ADR Body accredited by Chartered Trading Standards Institute. Complaints that cannot be resolved locally within the practice can be mediated by the VCMS. The service mediates consumer and communication issues as well as allegations of professional negligence using ADR to support the parties to resolve the complaint without the barriers of a formal legal process and to also seek to repair the relationship between animal owner and practice.

The VCMS can assist where the complaint involves a consumer (individual animal owner, not commercial enterprise) and a complaint relating to the veterinary care and service provided by a veterinary practice based in the UK. The service has a wide consumer remit, with only the following falling outside the remit of the VCMS:

- Complaints raised by individuals who are not the owners of the animal.
- Complaints involving allegation of serious professional misconduct (as these are to be investigated by the RCVS).
- Complaints arising from care or service provided more than 12 months ago, or where the final response to a complaint was provided more than 12 months ago.
- Business to business complaints.

The VCMS uses mediation techniques to help the consumer and practice reach a mutually acceptable resolution and to also use insight from the complaint to inform both animal owners and veterinary practices to raise awareness, increase understanding and reduce recurring complaints.

In addition to the individual complaint resolution, the VCMS shares insight gathered from the mediation process to upstream learnings to improve approaches to practice and the client/practice relationship.

Annual reports are available since the service was incepted in 2017 following a trial in 2016. These have been shared with the CMA by the VCMS, and the most recent report (2022-23) shared with the CMA by the RCVS. Current data and analysis for 2023-24 can be provided to the CMA.

The VCMS has encouraged animal owners and veterinary clients with views and insights on the policies and pricing structures within veterinary practices to share their insights with the Competition and Markets Authority so that these can be fed into the wider review on the areas of CMA focus.

This response provides further information relevant to the areas detailed in the CMA Statement of Issues and the role and impact of the VCMS. It will also flag areas where the VCMS and Nockolds Resolution could assist and contribute to the CMA Market Review.



KEY AREAS DETAILED IN THE STATEMENT OF ISSUES

As identified by the CMA, and highlighted by other stakeholders, the consumer and practice relationship in the veterinary sector is complex and nuanced.

Veterinary complaints often involve highly emotional and difficult situations so raising and resolving queries, concerns and dissatisfaction can be challenging for all involved. It is important that animal owners, as consumers, can and do raise issues and that veterinary practices work hard to address those concerns and include consumer issues and communication within overall practice and veterinary professional quality improvement.

Qualitative mediation insight indicates that early and informed conversations are important in enabling animal owners to make the best decision for their animal and their families. Where animal owners have concerns about specific issues, it is important that they can raise these early with the practice so that these can be addressed, and owners and the veterinary team can work together and in the best interest of the animal. On many occasions, animal owners are anxious or distressed and the factors which influence decision-making vary greatly from other consumer/business interactions. The VCMS welcomes the CMA review as it provides the mechanism to explore those factors and consider what the sector can do to support consumers and promote consumer choice. The review also provides the opportunity to understand how the changes in business ownership in the veterinary sector and developments in veterinary care are impacting consumers.

The overwhelming majority of veterinary teams are made up of dedicated and committed professionals working hard for their patients and clients. They are often very aware of the stresses and pressures on animal owners when faced with complex decisions. VCMS mediation insight indicates that for both animal owners and veterinary professionals, the overriding focus is animal health and welfare meaning the relationship is far more complex than other business to consumer situations.

The Insight sections of the VCMS annual reports have highlighted the trends in the complaints referred to the VCMS.

The complaint circumstances referred to the VCMS involve but are not limited to the veterinary services and pet insurance listed at paragraphs 17 and 18 of the Statement of Issues.

The VCMS holds data and collates insight which will be of relevance to the 7 overarching issues (paragraph 26) and 6 concerns (paragraph 53) to be explored throughout this CMA market investigation, and remedies considered (paragraph 122 – 144).



The VCMS would request that this insight be shared through the evidence gathering detailed in paragraph 25 and highlights the areas relevant to the CMA review:

Issue to be explored by CMA investigation	Relevant VCMS Insight
Overarching issues (paragraph 26)	
(a) How consumers make their decisions at different stages of purchasing veterinary services, for example choosing the FOP with which to register and use, and in, which tests, treatments, and cremation service(s) to purchase, including whether consumers shop around, seek quotes from different providers and switch providers.	✓
(b) How the owner's and/or pet's circumstances may impact consumers' decision making at these various stages, for example the consumer's level of experience as pet owner or the severity of the pet's condition.	✓
(c) What information is available to consumers, and how it is delivered, at various points to help them decide what services to purchase (e.g. on pricing, treatment options and outcomes, and options for purchasing medicines)	✓
(d) The incentives on veterinary professionals to facilitate consumer choice, that is to help pet owners make informed decisions and choose the best veterinary services for their needs at a competitive price (e.g. advising pet owners on how different referral centres compare on price and treatments offered).	✓
(e) Whether the regulatory framework contains the right combination of substantive requirements and enforcement mechanisms to help produce outcomes that are consistent with a market that is working well. The regulatory framework includes the legislation governing veterinary professionals, professional standards and codes under which veterinary professionals (vets and veterinary nurses) operate, and regulation of the vet practices and businesses where veterinary professionals work. It also includes how regulations are applied, adhered to and enforced, and guidance for following regulations.	✓
(f) Whether there are barriers to entry and innovation.	

Issues to be explored in CMA investigation	VCMS insight and evidence
(a) pet owners might not engage effectively the choice of the best veterinary practice or the right treatment for their needs due to a range of factors including lack of appropriate information;	VCMS mediation insight around: <ul style="list-style-type: none"> • the information provided to pet owners, and more importantly how animal owners engage with that information to make a decision. • characteristics and context of consumers and the impact on decision making. • shopping around and reasons why an animal owner remains with a veterinary practice – qualitative insight suggests financial factors are one of many but not always the overriding reason.



	<ul style="list-style-type: none"> • Factors influencing continuity of care – staff retention/recruitment and changes in working patterns. • consumer evaluation of value for money. • training for veterinary professionals to prepare them for effective consumer communication and conversations.
(b) concentrated local markets, in part drive by sector consolidation, might be leading to weak competition in some geographic areas;	VCMS mediation insight around complaint activity across the sector and in different business models.
(c) large integrated groups might have incentives to act in ways which reduce choice and weaken competition;	<p>VCMS mediation insight around:</p> <ul style="list-style-type: none"> • treatment options provided to animal owner, more complex decision making and the need for consumers to be able to make informed decisions. • impact of increasingly sophisticated and complex treatments alongside the 'humanisation' of pets. • complaint insight relating to out of hours services, referral centres; cremation services and diagnostics.
(d) pet owners might not engage effectively and might lack awareness of their options when a pet dies and as result may be overpaying for cremations;	VCMS mediation insight regarding complaints involving cremation services, consumer awareness and choice.
(e) pet owners might be overpaying for medicines or prescriptions due to a range of factors including a lack of awareness of their options;	VCMS mediation insight regarding complaints and consumer awareness/understanding around the supply of medicines and prescriptions for third party dispense.
(f) the regulatory framework is outdated and may no longer be fit for purpose and may currently be operated in a manner that does not facilitate a well-functioning market.	<p>VCMS insight and wider Nockolds perspective can be shared regarding:</p> <ul style="list-style-type: none"> • consumer awareness and interpretation of the RCVS Code. • veterinary professional application of the RCVS Code as seen within the complaint circumstances mediated. • Para 99 – mechanisms for redress (see below) • Cross sector insight from other markets.

Consumer protection in the veterinary sector more complex, with informed choice and decision-making based on multiple factors, financial value for money being one of many. It is however an important one, alongside animal welfare and maintaining a sustainable veterinary profession.

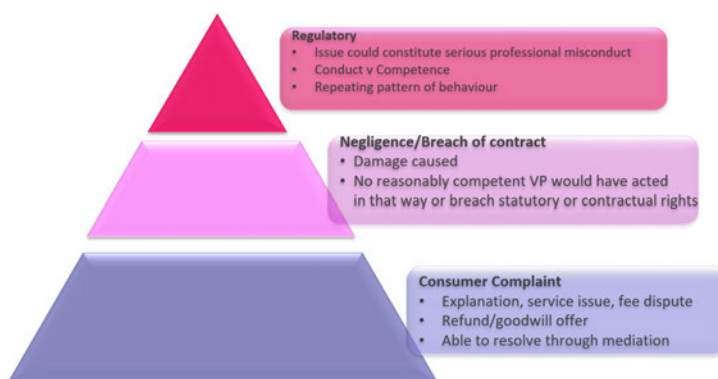


Redress and enforcement

The VCMS shares the widely held view that there is a need for legislative reform around the regulation of practices, not only veterinary professionals and a modernizing of the misconduct process, to align the veterinary profession with the fitness to practice approach in place in most other professions. It is also acknowledged that legislative reform is not a quick process, and there is a need for stakeholders to work collaboratively to explore what can be done within the current framework to bring a positive impact to the consumer/veterinary practice relationship in the meantime.

Nockolds Resolution (the independent organization delivering the VCMS) operates in other regulated sectors including the delivery of the Optical Consumer Complaints Service. Optics has some similarities to the veterinary sector in terms of the expansion of a small number of large corporate suppliers, and some fundamental factors relevant to consumer choice and decision making.

Redress in regulated sectors has wider meaning than in unregulated sectors:



1. Regulatory – animal welfare and public protection issue
2. Civil legal claims – negligence – poor standards of practice in a clinical sense for which civil legal action can be pursued
3. Civil legal claims – consumer statutory rights or breach of contract – poor standards of practice in terms of an animal owner’s right, which can also give rise to civil legal claim
4. Breach of consumer protection regulations or guidance which a sector is required or agrees to abide by
5. Relationship breakdown and pressures which do not amount to any of the above but result in consumer dissatisfaction

Given the complexity of veterinary complaints, the current regulatory framework and the legal status of animals within the civil law, some concerns cannot be categorized in this way. Even with reform, this is still likely to be the case.

For concerns sitting below the regulatory level (whether current or reformed), an effective framework for animal owners to raise, escalate and resolve concerns about their interaction with veterinary practices and professionals is an important element in a well-functioning, sustainable market.



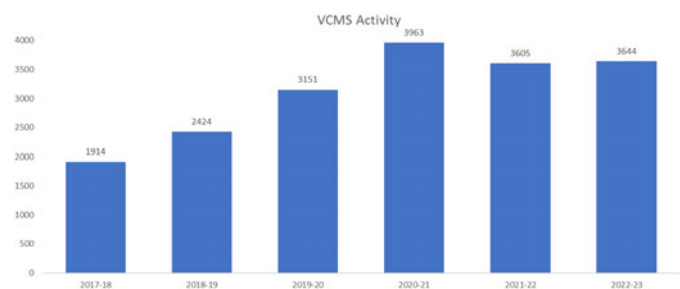
With reference to paragraph 99, the VCMS provides a straightforward, easy access process for animal owners to escalate concerns. It is possible that the VCMS model could be further evolved as part of the remedy to some of the issues which may be identified in the conclusion of the CMA investigation. The VCMS notes paragraph 144(d) and will engage pro-actively with the CMA to ensure the CMA has a full understanding of the role of the VCMS, and to contribute to the analysis of the current and future needs of the market (for both consumers and veterinary professionals). This includes more substantive discussions around the points raised in paragraph 145 and participation in the activities set out in paragraph 150.

To assist the CMA, Nockolds sees the value in sharing cross sector insight on resolution and redress options, including more nuanced categories of concerns and the risks and benefits of remedial options being considered. Nockolds welcomes the opportunity to share this insight with the Group and contribute to the exploration of the remedies being considered.

VCMS ACTIVITY AND IMPACT

The VCMS ran as the second 'ADR' pilot for veterinary complaints in 2016. The initial pilot involved an 'ombudsman' approach which was unsuccessful in terms of both resolutions and satisfaction (for both professional and animal owners). Following a review of the Nockolds pilot, the VCMS has continued as an ongoing service from 1 November 2017.

Initial increase in activity was attributed to raised awareness as the service launched and then became established. In 2019-20, the service saw a dramatic increase in complaint referrals in May 2020 linked to Covid-19 restrictions, pressures on practice/animal owner relationships and societal tensions. Since 2021 activity levels have stabilised and remained at around 3,600 per year.



Key consumer elements

The VCMS offers a free at the point of use, direct access complaint resolution mechanism. This is currently a voluntary mediation-based service, which means both animal owner and practice opt-in to resolve the complaint. This provides consumers with a voice and for both parties to get a clearer understanding of the complaint to facilitate a resolution and opportunity for quality improvement within the practice.



Engagement

The VCMS is currently a voluntary mediation-based service, which means both animal owner and practice opt in and accept the invitation to participate. This can be an effective approach as both parties are choosing to participate and therefore outputs and satisfaction are often higher.

Practice engagement in the VCMS process is strong, and since 1 November 2023 (current VCMS year), 76% of practices have engaged.

In other resolution/redress schemes, practices are obliged under a Code of Conduct or Practice Standards to inform consumers of the respective scheme or are required to engage.

Resolutions



84% of mediations concluded with a resolution

Where a complaint is not resolved within the VCMS, the consumer can consider legal action in the civil courts (often the small claims court) and is able to proceed having confirmed the parties have tried ADR.

Feedback on VCMS

The VCMS supports animal owners and practices to resolve complaints through mediation. All parties involved in a VCMS mediation are asked to provide feedback and this is closely monitored as part of the VCMS continuous improvement objective and to ensure the service is maintaining an impartial and fair mediation service. Feedback response rates and satisfaction ratings are consistently above published data for other ADR/complaint redress and resolution schemes. Details of the feedback responses are set out in the VCMS Annual Reports and the VCMS can provide further details.



FURTHER INFORMATION

Nockolds and the VCMS would welcome a face-to-face meeting with the CMA Group, and to participate as fully as possible within the Group’s market investigation and the timetable of events detailed for the next 18 months.

To arrange a meeting and for further information, contact Jennie Jones, Head of VCMS

