

Veterinary services for household pets in the UK

VetPartners' response to the CMA's Issues Statement of 9 July 2024 (submitted 30 July 2024)

1. Introduction

- 1.1 VetPartners welcomes the opportunity to submit its comments on the issues which the CMA intends to consider in its investigation. We believe that the investigation provides a unique opportunity for the CMA to achieve meaningful improvements for the benefit of consumers and pets, and the people working in the veterinary sector. We look forward to continuing to work closely with the CMA in order to help protect consumers and ensure that pet owners have access to high standards of veterinary care at an affordable price.
- 1.2 Our comments below are not exhaustive and seek to deal with the core issues raised in the Issues Statement. The fact that VetPartners does not expressly respond to a point in the Issues Statement does not necessarily imply that VetPartners agrees with it. VetPartners intends to supplement this submission with further evidence as appropriate during the course of the inquiry.
- 1.3 By way of background, VetPartners was founded by vets in 2015 and it continues to be led by vets. It was the vision of the main founder and current CEO, Jo Malone, to create a veterinary group that would help practices flourish and that would reflect her values, such as being respectful, working in collaboration, supporting each other and being dedicated and approachable. The group is currently active in the UK, Italy, Spain, Portugal, Germany, Ireland, the Netherlands, Switzerland and France¹.

2. Relevant activities

- 2.1 We note that, as part of the investigation, the CMA intends to assess the definition of the relevant markets. The veterinary sector is dynamic and continuously evolving, as different veterinary businesses (including not only large providers and smaller independents but also sole traders, technology companies and charities) compete to provide quality care to patients. This is evident in the wide range of services that first opinion practices ("FOPs") are able to provide due to recent developments in technology and diagnostics that have made advanced care service more available and accessible to consumers (see paragraph 3.9 below). Indeed, a FOP may provide:
 - Typical primary care services (such as consultations regarding common ailments, vaccinations and routine check-ups); and
 - More advanced care services, including advanced diagnostics procedures, specialist imaging and complex surgical procedures (such as a tibial plateau levelling osteotomy (TPLO) for cruciate repair).
- 2.2 VetPartners only has a couple of practices that are exclusively dedicated to more specialised referral services, being Anderson Abercromby Veterinary Referrals (orthopaedics) and The Hyperthyroid Cat Centre (hyperthyroidism). All other practices provide FOP services, with some

¹ This supplements the definition of "VetPartners" in the CMA's Glossary, as the Netherlands, Switzerland and France are missing from the description in the Glossary.

also providing more advanced care services, including on a referral basis, although what may be considered referral or specialist services differs across the industry.

- 2.3 The services offered by practices are largely driven by the professional skills and interests of individual veterinary surgeons, such that the specific services offered by a practice may change over time, for example as veterinary surgeons with certain skills move from one practice to another, or upskill.
- 2.4 Based on the information available on the Royal College of Veterinary Surgeons (“RCVS”) website, 21% of veterinary (small animal) sites are shown as having vets that are either a specialist or an advanced practitioner, whereas only 9% indicate that they offer referral services.² We would, therefore, caution against drawing any sharp distinction between FOPs and referral centres.
- 2.5 In a similar vein, there is no fundamental distinction that can be drawn between hospitals and FOPs.
 - First, it should be noted that “hospital” is not a protected term for practices that do not sign up to the Practice Standards Scheme (“PSS”) of the RCVS. Given that the RCVS hospital accreditation scheme is voluntary for these practices, they can refer to their FOPs as hospitals and they do not necessarily need to be accredited as such.
 - Second, although some vet practices may use the presence of hospital(s) in their chain as a marketing tool, in reality, the level and nature of the work (typical primary care services and more advanced services) carried out at both relatively large FOP sites and hospital sites may not differ significantly.
- 2.6 It should further be clarified that the term “practice” refers to a collective business entity, and the term “site” refers to a specific practice outlet in a geographical location. Therefore, a practice may operate from more than one site.
- 2.7 Finally, on the topic of market definition, VetPartners believes that tele-medicine services, mobile vets and charitable providers are part of the competitive landscape in which FOPs operate. These will be further discussed in paragraphs 5.5-5.7 below.

3. Client engagement and contextualised care

- 3.1 We understand that the CMA is seeking to understand the information available to clients at various points to help them decide what services to purchase, and how the information is delivered to clients.³
- 3.2 It is necessary to make clear at the outset that vets, like other professionals, are subject to ethical and professional rules (e.g. codes of conduct, regulatory requirements and guidance)⁴ and VetPartners takes compliance with these codes of conduct very seriously. Just like in other professional services sectors, these codes of conduct are partially intended to address any

² This information is based on the “facilities and services” section of the RCVS website where sites indicate if they either have an interest in referrals or are referral-only centres.

³ For example, paragraph 26(c) of the Issues Statement.

⁴ For example, the RCVS Code of Professional Conduct, RCVS PSS, British Veterinary Association (BVA) guidance including on ethics and welfare, the Veterinary Medicines Regulations and related guidance.

information and knowledge asymmetries that are inherent in the professional relationships between service providers and their clients or patients. VetPartners believes that, if there is a breach of the rules set out in the codes of conduct, this should be addressed through enforcement action. However, any such misconduct in a few individual cases would be insufficient to constitute the basis of any remedial action by the CMA, other than in the form of strengthening the monitoring and enforcement powers of bodies such as the RCVS and Veterinary Medicines Directorate and/or clarifying the substantive rules in the case of ambiguity.

- 3.3 During an initial consultation in a FOP, a vet normally meets with the pet owner and their pet to understand the issues facing them as well as their circumstances. The vet will then typically diagnose and present the treatment options to the pet owner. Given the need to ensure that the care is appropriately contextualised, there are a wide range of factors that the vet needs to take into account in the best interests of the client and pet. Examples include the pet's age, temperament and conditions, the cost and duration of the treatment options, the potential side effects and outcome of the treatment options, any regular check-ups and monitoring tests involved, the involvement and commitment of the pet owners in administering drugs, the feasibility of obtaining more advanced diagnostics and the pet owners' ethical and other preferences for the pets.
- 3.4 Given the distress that a pet owner may be experiencing at that time, all information would need to be considered and subsequently delivered by the vet in an empathetic and caring way, without putting undue pressure on the pet owner to make a decision for their pet out of guilt or shame. The practical challenges around presenting a wide range of options were discussed in further detail by several vets during the Teach-in with the Inquiry Group on 1 July 2024. During the Teach-in, one of the vets gave the example of regularly overrunning on consultations and answering client calls between consultations (without charging for them) and then having to catch up on making notes on the system. Therefore, any mandatory requirement to discuss and then record a wide range of relevant and irrelevant options with clients would run the risk of making vets' effective time with clients even more condensed.
- 3.5 Given the clinical judgment and professional opinions involved in the consultation process, a well-functioning market cannot simply be evidenced by the number of treatment options presented by a vet to the client (as seems to be suggested by the CMA).⁵ Rather, contextualised care requires a vet to have the clinical freedom to advise the pet owners on treatment options that are specific to the interests and circumstances of the pet and pet owner. VetPartners ensures that its vets are trained on contextualised care and would be in favour of the CMA ensuring that other practices do the same as well as ensuring that contextualised care education will play a more prominent role in the future in the university curriculum.
- 3.6 Unlike human healthcare where there are guidelines issued by the National Institute of Health and Care Excellence (NICE) that provide comprehensive evidence-based recommendations for health care in England and Wales, there are no equivalent evidence-based guidelines for the veterinary sector. As much as vets would ideally like to inform clients about all the possible treatment outcomes, there are limited scientific findings or studies to prove the success rates of specific treatment options. Therefore, vets are required to apply a level of clinical discretion and common-sense to each case and it would not be possible or productive to require vets to provide clients with all theoretically available options and outcomes at the treatment stage. In fact, many

⁵ At paragraph 73 of the Issues Statement.

clients would find a wide range of options overwhelming and unhelpful as they rely on their vet to apply clinical discretion and experience in providing the services.

- 3.7 On the specific topic of referrals, the CMA appears to take a dim view of pet owners potentially being given only one referral option.⁶ However, given the nature of referral services, there will often only be one or a small number of suitable providers in the local area or even further afield beyond the local area. As indicated in paragraph 2.4 above, based on the information available on the RVCS website, 21% of veterinary (small animal) sites are shown as having vets that are either a specialist or an advanced practitioner, whereas only 9% indicate that they offer referral services. Moreover, FOP vets will often have built up a working relationship with the referral vets in their area over time (e.g. through training and CPD), whether the referral vets are working for practices owned by the same group or not. As the vets trust that particular referral vet and know what to expect from them (e.g. in terms of the quality, service levels and reporting back to the FOP vet), they feel confident in referring clients to that one vet, but not to others. Certain clients may also have a preference for a particular vet, based on previous touch points with them or social media reviews. These preferences are not detrimental to consumers, on the contrary.
- 3.8 In addition, there are many changes and developments in the veterinary sector that we suggest the CMA should take into account when exploring consumer engagement and choice during this market investigation.
- First, medical advancements and technological improvements mean that advanced diagnostics tests and treatments are more readily available and accessible than a decade ago.
 - Second, consumer expectations have changed over time due to (i) the humanisation of pets, (ii) the increased availability of information and (iii) the portrayal of vets in the media.
- 3.9 In the last decade, advanced diagnostic tools such as the CT scan, MRI and dental x-rays have become more readily available and accessible.
- 3.10 Pets are now seen as a part of the family; people are willing to spend more to own a pet and many want to do everything they can to take care of their new family member. The internet and social media mean that consumers have greater access to information than previously, and they can easily look for information online and discuss any issues with other pet owners on social media platforms. TV series such as the *Supervet* demonstrate some of the most cutting-edge care and treatments for challenging pet conditions, suggesting to viewers that these are typical vet services available to anyone (which may not necessarily be realistic options due to factors such as costs and unavailability in the local area). This further increases the demand for advanced care for pets, with the effect that vets can be criticised for failing to recommend or provide such advanced care options.
- 3.11 The increased level of expectation and demand for advanced care result in an increase in treatment costs for those requiring such care (not only due to the purchase price of the equipment but also the associated installation, utility and staff training costs). However, unlike in the NHS where treatment is free at the point of delivery, consumers in the veterinary healthcare sector pay for treatments at the point of delivery. This may lead to some consumers having unrealistic expectations as to the costs of veterinary care.

⁶ Paragraph 76 of the Issues Statement.

- 3.12 We welcome the CMA's intention to explore ways to provide consumers with adequate and timely information about pricing and to assist them in their decision-making.⁷ As part of the framework of remedies offered on 21 February 2024 ("Framework Remedies Proposal") during the CMA's market review,⁸ VetPartners already indicated to the CMA its willingness to publish (in-practice and online) uniform price lists for "entry point" services.⁹ In fact, VetPartners has already started adding price lists to its practices' websites. At least 54 of VetPartners' practices' websites (representing 36% of the group's practices) contain such price lists as of 26 July 2024, and it is estimated that by the end of September 2024 all VetPartners practices' websites will have a price list for key treatments and items published.
- 3.13 VetPartners notes that the proposal of published price lists is also generally in line with BVA's Guidance for the Veterinary Profession: Transparency and Client Choice of 2 May 2024.¹⁰ The publication of price lists will assist consumers in making more informed choices. It would of course be necessary to ensure that the publication requirement applies to practices across the board, regardless of their size or ownership structure.
- 3.14 VetPartners generally welcomes the CMA's proposed work on facilitating the development of reliable price comparison tools to assist consumers in making informed choices. Leaving aside any practical challenges (e.g. due to the multitude of permutations by weight, species, conditions, comorbidity etc.), VetPartners believes that it would make sense for the CMA to consider carefully the extent to which the consumers might find such a tool actually beneficial, especially as the CMA itself suggested that consumers may tend to choose veterinary services predominantly based on location, convenience and recommendations, rather than prices.¹¹
- 3.15 As part of the Framework Remedies Proposal, it was also proposed that clients be provided with a written estimate for treatments and medicines on the consent form (other than in exceptional circumstances, such as emergencies or mid-surgery findings). In addition, it was proposed that, where there are reasonable grounds for believing that the actual cost of a treatment will be more than 25% above the written estimate provided on or with the consent form, vets would be required to inform the client as soon as reasonably practicable. As part of the same Framework Remedies Proposal, we also proposed that price estimates are to be given together with an explanation of the reasons for a recommended treatment plan. Where there are multiple treatment options that are appropriate, given the context in which the animal is presenting and the circumstances of the owner, such options would need to be presented and estimates for each of the relevant options would be provided in combination with an explanation of each option (which may be done verbally). We made it clear that prescribing no treatment at all may also be a treatment option.

⁷ Paragraph 135 of the Issues Statement.

⁸ The CMA referred to this proposal in its Decision to make a market reference of 21 May 2024 at paragraph 6.58 and in the Consultation on a proposed market reference of 12 March 2024 at paragraphs 3.39-3.44.

⁹ In the proposals, such entry point services included (a) Consult: Vet (Initial/Repeat); Nurse; OOH, (b) periodic medication review, (c) Vaccinations: Puppy/kitten; Annual (Cat/Dog), (d) Neuter (including pain relief, anaesthetics and consumables but excluding buster collars or post-op feeding), (e) Dentistry (anaesthetic, initial examination of mouth, scale and polish), (f) Euthanasia (Cat/Dog), (g) Cremation (Cat/Dog): Communal; Individual, (h) Prescription fee. The published above prices should also take into account factors such as the species and/or animal size in order to allow meaningful comparison by the consumers.

¹⁰ <https://www.bva.co.uk/resources-support/practice-management/transparency-and-client-choice-guidance/> (accessed on 30 July 2024)

¹¹ According to paragraph 33 of the Issues Statement.

- 3.16 In order to ensure that consumers have sufficient information about the ownership of practices, we proposed the following as part of the Framework Remedies Proposal:
- (a) To make group ownership/association of FOPs clear and ascertainable to clients by way of internal and external signage at each practice and on all channels, i.e. in practices, business divisions, online channels and in print media and other marketing materials; and
 - (b) To clearly identify any group ownership/association at the point of referral for assessment or treatments.
- 3.17 In fact, it is worth noting that we are already in the process of rolling out a plan aimed at ensuring that the VetPartners brand name is displayed more prominently in practices and on practice websites. We would welcome other veterinary groups doing the same.
- 3.18 In relation to medications, we consider this to be a competitive market, particularly as consumers are increasingly opting to purchase prescription-only medicines from alternative sources outside the FOPs. To further enhance price transparency for consumers we proposed that the RCVS Code of Professional Conduct be amended for:
- Invoices to delineate clearly between dispensing fees and medication costs and any other applicable charges, with a clear explanation as to what they cover;
 - Invoices to clearly itemise and explain any prescription fees; and
 - Consumers to be made aware that alternative channels for purchasing prescription medication include online retailers accredited via the Veterinary Medicines Directorate's Accredited Internet Retailer Scheme (AIRS), where there is potential choice on medicine options (with such information to be provided on the prescriptions and receipts for dispensed medicines, in addition to in-practice signage).

4. **Business models**

- 4.1 The CMA is seeking to understand the incentives for veterinary professionals to facilitate consumer choice and the impact of different business models in the sector.¹²
- 4.2 At the outset, it is worth noting that vets and vet nurses do not tend to be primarily driven by financial incentives. For example, vets' pay is relatively modest compared to others with comparable university degrees (e.g. doctors, dentists). Put simply, they do not typically become vets to make a lot of money but to help make sick animals better. Therefore, it would not be helpful for the CMA to examine vets' drivers through a narrow economic lens focused on financial incentives. Whilst groups such as VetPartners have commercial objectives, the vets (and therefore the practices that they run) would not normally implement profit-maximising policies if these were inconsistent with the vets' clinical and ethical obligations and beliefs.
- 4.3 VetPartners operates a business model in which its practices retain significant operational autonomy and vets remain clinically independent and free to exercise their professional judgment. We are keen to continue supporting the clinical freedom of our veterinary professionals.

¹² Paragraph 26(d) and (e) of the Issues Statement.

- 4.4 In order to avoid any actual or apparent influence on clinical decision-making, we do not believe that vets should receive financial rewards that are tied to their clinical decisions (and indeed, this is part and parcel of VetPartners' approach to agreements with vets). That is why, as part of the Framework Remedies Proposal, we proposed to the CMA that any financial rewards to vets should be removed or not introduced where they are (i) for the purpose of incentivising vets to refer intra-group for specialist or referral assessment, treatment or diagnostics, or (ii) tied directly to the revenues generated by a vet on an individual basis specifically for consultations and treatments they conduct or administer.
- 4.5 VetPartners is keen to ensure that each practice retains its distinctive character and approach, in combination with an emphasis on providing a high quality of care to clients. Therefore, there are significant differences between the various VetPartners practices and sites, including in relation to the types of services provided. These differences may exist even in situations where different VetPartners practices operate in the same local area. If a group such as VetPartners has more than one site in an area, this will often result in consumer and staff benefits, such as increased consumer choice, know-how sharing between vets and nurses and an ability for staff to get together and share experiences with local colleagues. The ability to work within such a wide support network is critical to attracting staff and retaining them.
- 4.6 From a market perspective, there are various benefits in organising veterinary services in corporate groups, as discussed below.
- 4.7 Organising individual veterinary practices into a corporate group structure enables a greater scale of cooperation that in turn enables innovation and improved consumer outcomes. The operation of larger corporate groups requires a greater level of organisation to achieve efficiencies, thus incentivising the use of technology in an otherwise rather conservative sector. For example, VetPartners is encouraging its practices to provide clients with the option of booking appointments online to meet client demands and ensure more effective communication and time management (which many practices across the UK do not yet offer).
- 4.8 Practices that join VetPartners may benefit from increased levels of investment (such as in diagnostic equipment), further enhancing consumer choice and animal welfare. These investments are typically driven by the practice teams and their desire to increase the range of treatment options that they are able to offer their clients in response to client demands.
- 4.9 Large groups, such as VetPartners, have the scale to develop internal platforms to enable the sharing of clinical experience and expertise among vets, nurses and other staff. For example, VetPartners offers training and professional skills development to veterinary professionals in order to achieve higher standards of services to clients. Relatedly, by providing centralised administrative support including on human resources, IT, finance and operations, vets are free to focus on providing high-quality services to their clients and pets (rather than being tied up with fulfilling administrative tasks).
- 4.10 As the CMA pointed out in the Issues Statement, the PSS that is run by the RCVS and aimed at promoting and maintaining the highest standards of veterinary care, is voluntary. Currently, only around 69% of eligible UK practices are signed up to the PSS. However, as a group, VetPartners requires all its practices to sign up to the PSS. In order to enhance service levels across the entire sector and to create a level playing field to the benefit of consumers, VetPartners is in favour of making adherence to the PSS compulsory for all practices.

- 4.11 The industry concerns regarding the acute staff shortages and vet wellbeing are well documented (see also paragraphs 5.2-5.4 and 5.9 below). VetPartners invests heavily in its people and ensures that employees joining VetPartners have excellent working conditions, including in many cases, the option of flexible working hours and access to group-wide paid paternity and maternity leave as well as enhanced sick pay and volunteer days. VetPartners also employs a full-time mental health trainer for all employees to access professional advice and support, which is particularly relevant at the present time in light of the increasing mental health challenges among veterinary professionals. More generally, the ability to work flexible hours and the emphasis on work-life balance are particularly relevant in this sector, as many more employees are demanding different working patterns.
- 4.12 In order to ensure that its practices are able to compete effectively, VetPartners seeks to secure competitive procurement terms from suppliers given the scale of its operations, both in the UK and internationally. Lower costs enable VetPartners practices to offer services and products at competitive rates, which benefits clients. The same applies for others across the sector, including independent practices. VetPartners is aware of several buying groups for independent practices aimed at securing procurement benefits through bulk buying for their members. Some of these groups go beyond the mere purchasing functions and provide marketing and IT support to their members (e.g. XL Vets which refers to itself on its website as a “collaborative group”).¹³
- 4.13 We agree in principle with the CMA that the quality of treatment provided to pets is difficult to quantify. It is important to realise that quality can manifest itself in many different ways, including the availability of advanced medical treatment options and access to highly qualified and skilled veterinary professionals to serve consumers. This is the case even if a client does not ultimately decide to use all or even any of the available options.
- 4.14 Market opening remedies and in particular structural remedies should be handled with the utmost care. These would not only raise serious questions of proportionality, but would also risk unintended consequences, such as removing consumer and staff benefits that large groups have achieved as well as having a chilling effect on future investment and innovation.

5. Entry and innovation

- 5.1 The CMA has stated that it intends to explore the possible presence of barriers to entry and innovation.¹⁴
- 5.2 The main barrier to entry to the sector, including the opening up of new vet practices, is the pressing shortage of sufficiently qualified vets and nurses. There are several reasons for this shortage, including an increase in the number of pets during the Covid-19 pandemic without a corresponding increase in the number of vets, tighter immigration rules following Brexit, the relatively modest pay of vets compared to others with comparable university degrees (e.g. doctors, dentists), the substantial amounts of administrative and repetitive tasks that vets and nurses face and high levels of stress faced by those working in the profession.

¹³ <https://xlvets-pets.co.uk/> (accessed on 30 July 2024).

¹⁴ For example at paragraph 26(g) of the Issues Statement,

- 5.3 VetPartners urges the CMA to look in detail at the causes of the shortage of vets and nurses. The ongoing shortage does not only present a barrier to entry but also results in an upward pressure on wages and therefore prices ultimately paid by clients.
- 5.4 One of the ways of reducing the current workload of vets would be by enabling greater flexibility in allowing registered nurses to conduct more treatments and procedures than are currently permitted. For example, nurses are only allowed to administer pre-determined quantities of anaesthesia to an animal, and they are not allowed to administer the anaesthesia incrementally (even though it often makes most sense and would be best clinically to administer, for example, first 2ml, wait and see what the reaction is, and then administer 2 ml again – rather than administering 4ml in one go). Provided that nurses act at the direction of a vet, there is no reason why they would not be able to perform additional tasks. It would give nurses increased job satisfaction and reduce the workload on vets.
- 5.5 The barriers to entry for mobile veterinary practices that provide care in clients' homes are relatively limited. They have much lower overheads and provide a good level of service, which makes it difficult for traditional practices to match.
- 5.6 Telemedicine and technological innovations have the potential to disrupt the sector. However, in VetPartners' experience, there are current challenges around monetising telemedicine offerings, including a reluctance on consumers' part to pay a fair price for remote consultations. VetPartners would be in favour of the CMA looking in greater detail at the root causes of the slow up-take and possible solutions.
- 5.7 Certain animal welfare charities, such as the PDSA and RSPCA, employ their own vets and, depending on the local area concerned, exert a strong competitive pressure on commercial practices (albeit for a sub-set of clients who meet specified criteria). Their barriers are relatively low as their rent tends to be lower and they do not normally offer the full range of services that are offered by commercial practices. We welcome the CMA's intention to look in more detail at their role in the competitive landscape.¹⁵
- 5.8 The CMA intends to assess whether contractual restrictions on vets who have been employed by large corporate groups present a barrier to entry.¹⁶ In VetPartners' experience, non-compete clauses in employment contracts do not pose a barrier to entry as the scope of such clauses is generally limited, both in terms of duration and geography. Anecdotally, VetPartners are aware of various cases where former practice owners and other vets have set up new practices or joined other competing practices in the local area.
- 5.9 When discussing barriers, it is also worth mentioning that retiring vets often struggle to recruit new vets to take over their practices due to the working conditions (including the hours, administration, running of the business which all detract from the actual work of being a vet). This is an important explanation for the emergence of groups such as VetPartners that are able to offer more attractive working conditions to junior vets.

¹⁵ Paragraph 63 of the Issues Statement.

¹⁶ Paragraph 65 of the Issues Statement.

6. Care at the end of a pet's life

- 6.1 The CMA has stated that it will explore whether pet owners might not engage effectively and may lack awareness of their options when a pet dies, and as a result, may be overpaying for cremations.¹⁷
- 6.2 It is abundantly clear that the death of a pet is often a particularly distressing moment for a pet owner. We provide trainings to vets to ensure that they are able to deal with the situation in a sensitive and empathetic manner.
- 6.3 Cremation services are provided in conjunction with several other services at and around the time of the pet's death. Therefore, cremation services should not be viewed in isolation but rather in a wider context of related services at the end of a pet's life, which may include:
- Providing consultation to the client and walking through the information about the possible euthanasia and alternative treatment options as well as costs in an empathetic manner (which typically take an extended period of time);
 - Providing the pet with a sedative before the euthanasia takes place, inserting an intravenous cannula and administering the euthanasia agent to the pet (which will vary per patient and to an extent also by practice); these procedures are typically carried out by a vet and a nurse; and
 - If the pet owner wishes, arranging for the deceased pet to be stored at the premises prior to the collection by a crematorium (typically weekly or fortnightly), and storing the scatter boxes, caskets or urns after the cremation to be collected by the client.
- 6.4 Therefore, the fees charged to the client would include not just the cost of the crematorium, but often include the cost of the euthanasia procedure and the time spent by the veterinary professionals involved. The terminology of “mark-ups” in the price for cremations used by the CMA in paragraph 140 of the Issues Statement is unhelpful, as the fees charged are not “mark-ups”, but a composite price that covers several services provided. In VetPartners' experience, most practices would provide an overall fee on the invoice for the whole procedure, rather than fees broken down by element (as a breakdown might come across as insensitive in the circumstances).
- 6.5 Whilst it is right that pet owners have the choice of burying their pets at home, which is the cheaper option mentioned by the CMA, this might not be feasible, desirable or available for all pet owners for various reasons.
- First, the pet owners must give thought and consideration to the environment that they live in, including whether they own the land, the type of soil and any water sources nearby.
 - Second, the pet owner might not want the home burial option, especially if they find it too emotionally taxing to carry out the burial themselves.
- 6.6 The CMA should also bear in mind that, by definition, a client's use of crematorium service is a one-off occasion. Furthermore, the one-off spend on crematorium and end-of-life services by a client compared to the total spend on veterinary services over a pet's lifetime is very low. For example, considering a medium-sized dog with an average lifespan of 8 to 13 years, the total

¹⁷ For example at paragraphs 84-85 of the Issues Statement.

minimum ownership cost over its lifetime ranges from £7,500 to £11,800, according to the PDSA.¹⁸ In contrast, VetPartners estimates that the end-of-life costs for a medium-sized dog (including euthanasia and cremation) normally tend to range from ██████████¹⁹ This represents approximately ██████████ of the total lifetime *minimum* ownership cost of the dog. Cremation alone, depending on the choices of the owner, is estimated to represent about ██████████ ██████████ of the dog's total lifetime *minimum* ownership cost, making it a small portion of the overall expenses.

6.7 Against that background, VetPartners respectfully submits that the CMA's suggested focus on cremation services as a stand-alone hypothesis is not a good use of public resources (whereas, for reasons that are not articulated in the Issues Statement, the CMA has not suggested exploring a stand-alone hypothesis in the area of OOH services even though these are much more important in a typical pet's lifetime).

6.8 The CMA raised the possibility of a remedy requiring vet practices to provide information to a pet owner about the range of cremation or burial options open to the pet owner, pricing, ownership of the cremation provider, quality/outcome-related measures and the level of expertise of the cremation provider.²⁰

6.9 There are unintended consequences and logistical challenges arising out of such a potential remedy.

- First, it is important to realise that any advice and information relating to the cremation would arise in the context of a pet owner who is about to or has just lost their pet. Therefore, it is likely to be an emotionally charged situation which the vets must handle with the utmost care and respect. It would be impractical (and potentially even insensitive to the client's emotions) if a vet had to run through a detailed list of all crematorium service providers, the owners, their level of expertise and multiple pricing options.
- Second, mandating each veterinary practice to make available all the services by different crematorium service providers would place a significant additional logistical burden on practices. This is because practices would need to ensure that they have an adequately organised freezer, storage and record-keeping system for each provider, as well as arrange additional pick-ups and deliveries per week (i.e. with each provider separately). The increased administrative, logistical and operational burden on practices could result in an unintended upward pressure on prices, as well as potentially causing delays in returning ashes to clients and increasing the risk of human error in handling requests across multiple providers.

7. Regulatory framework

7.1 The CMA is exploring whether the regulatory framework contains the right combination of substantive requirements and enforcement mechanisms to help produce outcomes that are

¹⁸ <https://www.pdsa.org.uk/pet-help-and-advice/looking-after-your-pet/puppies-dogs/the-cost-of-owning-a-dog>, (accessed on 30 July 2024).

¹⁹ The range provided includes standard cremation fees (i.e., individual or communal cremation) and excludes premium services. For a medium-sized dog, the end-of-life cost can increase up to ██████████ if premium services are selected (e.g., a premium casket or container for returning ashes).

²⁰ Paragraph 138(b) of the Issues Statement.

consistent with a market that is working well.²¹ VetPartners believes that several changes can be made to the regulatory framework that will benefit consumers. As all the respondents to the CMA's consultation agreed that regulatory reform is needed, it is hoped that this investigation will finally provide the necessary impetus for change after years of discussions in the sector.²²

- 7.2 As indicated by VetPartners to the CMA as part of the Framework Remedies Proposal, we would be in favour of substantially enhancing the RCVS's monitoring and enforcement powers, including through:
- (a) A commitment to self-audit and report compliance with the RCVS Code of Professional Conduct on an annual basis;
 - (b) A power for the RCVS to inspect a clinic where it has good grounds to suspect a serious breach of the Code (currently, outside of PSS, the RCVS has to be invited by the vet); and
 - (c) A change in legislation to extend RCVS's remit to practices (in addition to individual vets).
- 7.3 This would be an efficient remedy proposal that enables enhanced regulatory oversight and enforcement, particularly as the BVA has indicated that it is willing to support an industry solution. VetPartners would be willing to contribute to funding the BVA or another organisation to oversee a "kitemark" type scheme reflecting compliance with these measures, which would be a clear and easily accessible reference point for the public and enable other independent vets to join the scheme. Given the BVA's membership (most practising vets are BVA members), such a kitemark would gain significant industry coverage, ensuring that the majority of the industry aligns with the proposals contained herein.
- 7.4 As mentioned in paragraph 5.4 above, VetPartners would generally be in favour of updating the regulatory framework to enable greater flexibility in allowing registered nurses to conduct more treatments and procedures than are currently permitted. This would give nurses increased job satisfaction and reduce the workload on vets, therefore alleviating the industry-wide issue of staff shortage.
- 7.5 An imposition of a price cap on prescription fees might result in unintended consequences. In particular, some vets might not currently charge in full for their consultation time as they work on the basis that the prescription fee will cover some of the time spent. Any cap on prescription fees might, therefore, result in those vets charging in full for their consultation time, to cover the costs.
- 7.6 VetPartners agrees with the CMA that the market investigation provides an opportunity to review the prescribing cascade.²³ Currently, where an authorised veterinary medicine is available for a condition, vets are not permitted to prescribe or use a human drug that is not specifically authorised for use in animals, even if the vet believes the efficacy to be equivalent.²⁴ If the use of human drugs instead of authorised veterinary medicines were to be allowed as a result of a regulatory change, this could potentially result in lower costs for consumers (as in many cases, generic human medicines are cheaper than their veterinary equivalents). However, this upside

²¹ Paragraph 26(f) of the Issues Statement.

²² Paragraph 93 of the Issues Statement.

²³ Paragraph 90 of the Issues Statement.

²⁴ Paragraph 4.32 of the RCVS Code of Professional Conduct.

would need to be balanced against any possible unintended long-term consequences. For example, a regulatory change as described above might disincentivise pharmaceutical companies from testing the efficacy and safety of the pharmaceuticals on animals as part of the licensing application. This may mean in turn that over time there will be fewer evidence-based studies and statistics available on medicines in the veterinary sector. In any event, it would help if consumers were more widely aware of the restrictions imposed on prescribing vets by the cascade. There could be a role for the RCVS in this regard (e.g. by running a public campaign).

8. Remedies

- 8.1 As mentioned above, VetPartners welcomes the CMA's market investigation with a view to improving the overall quality of services provided to consumers, the standards of veterinary professionals and animal welfare. Consistent with the CMA Board Advisory Steer to the Inquiry Group, we would be in favour of the CMA focusing its resources rather quickly on the consideration of appropriate remedies in areas where improvements can readily be achieved rather than additional evidence gathering in less key areas.²⁵
- 8.2 As mentioned above (at paragraphs 3.12, 3.15-3.16, 3.18, 4.4 and 7.2-7.3), VetPartners believes that the remedy framework previously submitted to the CMA would be effective in further improving the functioning of the veterinary services sector. In short, we believe that a combination of remedies to (i) provide greater transparency to consumers on pricing, treatments, medicines and ownership, (ii) remove any undue financial incentives to vets, and (iii) update the regulatory framework and RCVS enforcement powers would bring significant consumer benefits and resolve any concerns the CMA may find.
- 8.3 In any event, we urge the CMA to be mindful of the costs and unintended consequences of some of the potential remedies, as highlighted above.

²⁵ CMA Board Advisory Steer, paragraph 13.