

HOW PEOPLE PURCHASE VETERINARY SERVICES

06 February 2025

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The Competition and Markets Authority has excluded from this published version of the final report information which the inquiry group considers should be excluded having regard to the three considerations set out in section 244 of the Enterprise Act 2002 (specified information: considerations relevant to disclosure). The omissions are indicated by [✂]. Some numbers have been replaced by a range. These are shown in square brackets. Non-sensitive wording is also indicated in square brackets.

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Summary

1. This working paper describes how pet owners purchase and choose veterinary services and considers whether pet owners appear to be engaging effectively when making these choices.
2. Pet owners make choices about a variety of veterinary services. As well as choosing a first opinion practice (**FOP**), they can choose whether to take up a pet care plan or insurance and whether to purchase a range of routine treatments and services for their pet, such as flea treatments and vaccinations. If their pet has health concerns, an owner might decide to take it for a consultation (potentially out of hours) and may then face a range of choices around non-routine diagnostics, treatments, referrals and medicines, and at the end of their pet's life, around cremation.
3. Pet ownership in the UK is widespread and common across a range of demographics. The extent to which pet owners use different vet services varies (11% of [pet owners responding to our survey](#) visited their vet once in the previous two years, while 11% visited more than ten times), as do the prices of these services (nail clipping might cost £10-20, while non-routine treatments and surgeries can cost from hundreds to thousands of pounds).
4. There are several contextual factors around how vet services are bought that have important implications for how pet owners make choices. Pet owners usually have a strong emotional attachment to their pet. They understandably often need to rely on veterinary experts both to recommend what services or treatments their pet might need, and to give access to some of these services or treatments. Evidence indicates that pet owners display high levels of trust in veterinary experts and their advice, with 87% of respondents to our pet owners survey agreeing that their vet focuses on the highest standard of care for their pet's health. Choices are sometimes made in urgent situations where there are significant potential animal welfare and financial implications. Together, these factors may limit pet owners' ability to consider material information, evaluate the advice of their vet, make effective choices, and shop around. These challenges may, in turn, limit how much pet owners stimulate rivalry between competing suppliers of vet services.
5. We have gathered evidence on how pet owners make choices, including what information they are given, at different parts of the consumer journey. Overall, our review of evidence to date suggests that there is limited price information available for many services and that pet owners tend not to shop around on the basis of price. There is also evidence suggesting that information on clinical options is not always communicated effectively, and that pet owners tend not to shop around for different treatments or options. This evidence suggests there is likely to be a weak pet owner response to price increases, meaning that vet

businesses may be able to raise prices without pet owners switching away or deciding not to purchase the relevant services.

6. In relation to specific choices along the consumer journey, our review of the evidence to date suggests the following, which we are continuing to assess as our investigation progresses:
- (a) **Choice of FOP:** Pet owners tend to choose their FOP when they first get a pet, when they move home, or when they require a routine treatment for their pet. Many pet owners do not consider multiple options when choosing a FOP. When they do consider multiple options, their choices are primarily driven by location and recommendations, and to a degree by price, quality or ownership type, although there is a lack of available and comparable information available to pet owners on price, quality or ownership. We have seen evidence indicating that some pet owners have an appetite to compare the offerings of different FOPs – for example, 44% of respondents to our pet owners survey said that they considered more than one practice when choosing a FOP. However, high levels of trust in vets and the fact that some pet owners may need to choose a FOP urgently may mean that some people might not engage with more information, even if it were available and accessible. Some pet owners may underestimate the value of shopping around because they mistakenly believe that all FOPs provide similar services at similar prices, given the lack of available and comparable information. Together, these factors may mean that consumers do not shop around effectively when choosing a FOP, which may contribute to weak competition between FOPs.
 - (b) **Switching FOPs:** Switching rates between FOPs appear to be lower than we might expect in a well-functioning market,¹ with only 3% of respondents to our pet owners survey reporting that they proactively switched FOPs in the past 12 months.² Certain factors, including pet owner trust in vets and membership of pet care plans, could limit pet owners' ability and willingness to switch.
 - (c) **Choice of pet plan:** 37% of pet owners responding to our survey said that they subscribe to a pet care plan, which includes some basic services (consultation, flea treatment) and sometimes discounts on other services. These figures include 42% of pet owners at large veterinary groups

¹ We use the idea of a 'well-functioning market' as an analytical tool (a benchmark) to help us to assess whether competition is working well and producing good outcomes for consumers. What a well-functioning market looks like in practice may differ significantly from case to case, depending on the nature of competition and underlying market features. It is generally a market which displays the beneficial aspects of competition, such as firms competing to win business from customers who are able to make informed decisions about what they buy, for example by cutting prices, improving quality or innovating and offering greater choice, but is not an idealised or perfectly competitive market. More information is set out in our **Overview and Summary of Working Papers**.

² 'Proactive' switching excludes consumers that switched because they moved home or because their previous vet practice closed down.

(**LVGs**) and 29% of pet owners at independents. While pet care plans can reduce annual spend for pet owners who would otherwise frequently use services, they can also result in pet owners paying for subscriptions without making use of the full range of the plan's offerings. Evidence from LVGs indicates that vet businesses are motivated to increase pet care plan uptake and do so through marketing, staff incentives, and providing information to pet owners.³ Information provision about coverage and options may differ so it may not be easy for consumers to compare the value and benefits of different pet care plans.

- (d) **Choice of insurance:**⁴ The majority of respondents to our survey (56%) currently have pet insurance, which covers (some of) the costs of more complex, non-routine treatments. Many pet owners purchase insurance to ease worries about unexpected costs, while affordability prevents others from taking it up. However, even insured pet owners often pay for a significant proportion of the costs to treat their pet due to the nature of their insurance policies. Evidence indicates that FOPs do not generally play a central role in the decision of a pet owner as to whether to take out insurance.
- (e) **Choice of routine treatments:** Pet owner decisions to use routine or preventative treatments (including regular check-ups, vaccinations, neutering, microchipping, and flea and worming treatments) appear to be driven by factors including pet welfare and financial considerations. We have seen evidence that the marketing strategies of vet practices, including in relation to pet care plans, may influence and encourage pet owners to increase their consumption of routine treatments. We have seen some evidence that suggests that pet owners are more likely to engage with information on routine treatments than on non-routine treatments, including information in relation to price and treatment options. We note that there may not always be a clear distinction between routine and non-routine treatments.⁵
- (f) **Choice of non-routine treatments and diagnostics:** Compared to other choices, those made about non-routine treatments and diagnostics are likely to be more urgent, give rise to higher financial costs, have greater potential animal welfare implications, and involve greater information asymmetry between pet owners and vets. Pet owners therefore need to trust their vet's clinical judgement and recommendations. In some

³ To date, we have not sought similarly detailed evidence from independents on their pet care plans offerings, but we consider that they may have similar motivations to LVGs given uptake appears to be similar across independents and LVGs.

⁴ This market investigation considers the role pet insurance and insurers have in the supply of the relevant services and their role in a well-functioning market but will not investigate the market for the supply of such insurance (which is outside the scope of the reference).

⁵ We set out our assessment of the distinction between routine and non-routine treatments at paragraph 5.99 below.

circumstances, for example where treatment needs are urgent, pet owners are unlikely to be able to seek alternative options or switch FOPs. These factors mean that there is very limited or no opportunity for pet owners to obtain alternative advice, including where this may have implications for treatment quality and price. In circumstances where pet owners may reasonably be able to choose between non-routine treatment options or between different FOPs, evidence indicates that in some cases FOP vets may not be giving pet owners enough information to make effective choices. In particular, the nature and timing of pricing information provision may limit pet owners' ability to make informed choices in a way that could constrain vet businesses. Together, these factors may limit pet owners' ability to put competitive pressure on vet businesses to offer a wider range of options for non-routine treatments and diagnostics, or to keep prices low.

- (g) **Choice of referral provider:** As in the case of choosing a non-routine treatment, choosing a referral practice or specialist provider often relates to higher-cost veterinary services and potentially pets who are more unwell. Evidence to date indicates that pet owners often do not shop around for referral providers, for a number of reasons including because they are not always provided with a range of options, because they have high levels of trust in their FOP vet and because they may not have sufficient knowledge to choose between the offerings of different referral practices. Evidence indicates that while FOP vets generally provide sufficient information regarding referral treatment risks, outcomes, and practicalities, pricing information is delivered inconsistently. These factors may result in consumers not comparing referral providers on price or other factors, leading to weaker price competition between them.

- (h) **Choices regarding medicines:** Guidance to the Royal College of Veterinary Surgeons (**RCVS**) Code of Professional Conduct states that vets 'must advise clients, by means of a large and prominently displayed sign, or signs, (in the waiting room or other appropriate area)', that they may ask for a prescription and obtain veterinary medicines from another veterinary surgeon or a pharmacy.⁶ We have not seen evidence of FOPs contravening this provision. Yet evidence from our pet owners survey indicates that many pet owners are still not aware that they can acquire veterinary medicines from third parties other than their FOP. This indicates that they may be more likely to purchase medicines from their current vet without considering other options. The evidence also suggests these choices are in a context where FOPs set retail prices for medicines that are substantially above their costs of supply, and that pet owners may be

⁶ [RCVS Code of Professional Conduct for Veterinary Surgeons, supporting guidance, chapter 1, paragraph 3.](#)

able to make significant cost savings when purchasing some medicines from online pharmacies compared with purchasing from a FOP.⁷ While some pet owners may prefer to buy medicines from their FOP for a variety of reasons, the way in which information may be given could result in consumers not shopping around, leading to weak price competition between retail suppliers of veterinary medicines.

- (i) **Choice of out-of-hours (OOH) provider and services:** Vets working at FOPs are required to provide 24-hour care, either themselves or by referring their customers to a separate provider of OOH services.⁸ Evidence indicates that pet owners needing to choose an OOH provider typically do not shop around. In part, this could reflect high levels of concentration in OOH services, which we discuss in our working paper on **Analysis of local concentration**. Evidence suggests that pet owners may lack sufficient information from FOPs and OOH providers to enable them to choose whether OOH services are needed, or to choose between OOH providers where options are available. In any case, OOH prices and services are generally not a key driver of choice of FOP, and consumers tend to use their FOP or their FOP's affiliated provider for OOH provision. This indicates that there may not be a sufficiently strong customer response to generate effective competition in OOH services.
- (j) **Choice of cremations provider and services:** Most pet owners opt for cremation of their pet at the end of its life. The evidence we have seen indicates that pet owners do not shop around for cremation services. While there are some positive benefits to consumers purchasing cremation services from the provider with which their FOP has a contract, evidence indicates that pet owners are often not made aware by their FOP that they have alternative options. Cremation decisions occur in particularly emotional and distressing situations, and where those decisions are made alongside decisions to euthanise, pet owners may feel that they need to make decisions urgently. This indicates that there may not be a sufficiently strong customer response to generate effective competition or put pressure on prices when FOPs sell cremation services.

- 7. For many of these choices, the evidence we have gathered suggests that pet owners are unlikely to exert pressure on businesses through their choices to keep prices low. We have also identified there may be a lack of regulatory pressure to constrain prices and ensure that suitable recommendations and sufficient information are given to pet owners on treating their pets. Some vet businesses, including some LVGs, are aware of this weak competitive pressure

⁷ We provide further analysis on medicine mark-ups and prices in our working paper on **Competition in the supply of veterinary medicines**.

⁸ RCVS, 5. [What is the requirement to provide 24/7 in-person care? - Professionals](#)

and ineffective regulatory framework. As a result, vet businesses' legitimate incentives to make and maximise profits may not operate in a way that delivers the best outcomes for consumers, and, if this were the case, the costs of FOP services for consumers may be higher than we would expect in well-functioning market. We discuss these implications further in our working papers on the **Regulatory framework for veterinary professionals and veterinary services; Business models, provision of veterinary advice and consumer choice**, and **Competition in the supply of veterinary medicines**.

8. We will set out our emerging views on possible remedies, including those that may look to address a possible adverse effect on competition (**AEC**)(s) relating to weak customer responsiveness to product and service offerings in the vet sector, in a working paper in Spring 2025. We will invite written comments on remedies at that time.

1. Introduction and approach to demand-side issues

- 1.1 In our **Overview working paper**, we set out: a summary of our current view of the market for veterinary services, our framework for assessing whether competition is working effectively in the supply of veterinary services, why we are publishing working papers at this stage of the investigation and an outline of the evidence sources we have used to prepare our analysis and thinking.
- 1.2 This working paper describes how pet owners purchase and choose veterinary services and considers whether pet owners are engaging effectively when making these choices.
- 1.3 Customer behaviour, including how customers choose goods and services, comprises a key part of our competitive assessment in market investigations. A strong customer response can act as a competitive constraint on businesses, stimulating rivalry between suppliers via informed decision making which rewards those firms that best satisfy customers' needs or preferences. On the other hand, a weak customer response can be a source of competitive harm, if customers lack information about what product to choose, are not able to judge between different products on offer or are locked into one supplier and unable to switch to another if and when it is appropriate to do so.
- 1.4 As part of our competitive assessment, set out in our guidelines for market investigations, we consider the strength of customer responses alongside and in combination with other potential sources of competitive pressure or harm.⁹ Our approach to assessing the extent of weak customer response in a market may involve examining:
- (a) information asymmetries (including where customers are unable to form an accurate assessment of product quality before or after purchase);
 - (a) barriers to accessing information (including where information is unavailable or difficult to find);
 - (b) barriers to identifying best value offers (including where customers may have personal or situational vulnerabilities); and
 - (c) barriers to switching suppliers (including where customers may be 'captive').

⁹ Competition Commission, [Guidelines for market investigations: Their role, procedures, assessment and remedies \(CC3 \(Revised\)\)](#), part 3, section 3. The CMA is consulting on updated guidelines for market investigations which expands on how we assess the potentially weak customer response: CMA, [\[Draft\] Markets Substantive Assessment Guidance](#) (Draft Markets Substantive Assessment Guidance).

- 1.5 Alongside these factors, we also consider contextual factors that may influence the way in which customers make decisions, including:
- (a) when and why customers purchase specific goods or services (including whether customers face particular pressures when making decisions, whether there is time sensitivity in their purchases, and how frequently they purchase the products or services);
 - (d) the process by which customers make decisions (including how customers go about narrowing their options, the information they use or have available, at what point they are contractually or psychologically committed, and how complex the decision-making process will be);
 - (e) how customers weigh different factors in their decisions (including whether customers can access and judge salient information on price and quality, and whether there are other market-specific reasons that may affect the importance placed on some product features);
 - (b) the baseline level of customers' awareness and engagement in the market (including what awareness customers have of the existing market choices and whether customers' choices are more passive, restricted, or pre-determined); and
 - (c) how vulnerable customers might be when making decisions (including whether customers have certain personal characteristics that may lead to vulnerabilities, such as lack of financial resilience, level of education or context-dependent vulnerabilities such as bereavement or divorce).
- 1.6 This working paper provides our emerging views based on the evidence gathered to date on how these factors, among others, may influence different consumer choices in the supply of veterinary services. It describes:
- (a) our emerging view on how pet owners make decisions about veterinary services and the particular aspects of this decision making that may be leading to or contributing to an AEC;
 - (b) the evidence we are gathering and considering in this investigation;
 - (c) our analysis at this stage and the picture that may be emerging, and
 - (d) next steps.
- 1.7 This working paper is structured as follows:
- (a) Section 2 provides an overview of the choices made by pet owners throughout a typical consumer journey.

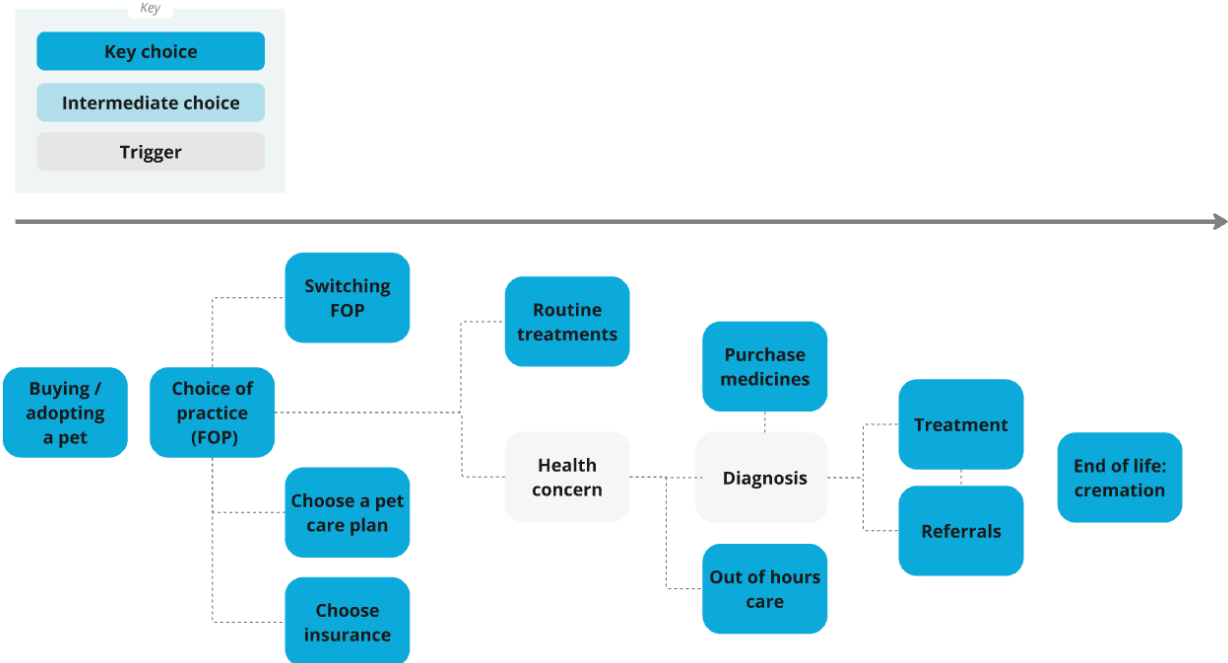
- (b) **Section 3** describes the current demand for vet services.
- (c) **Section 4** describes a range of cross-cutting factors that affect decision making across various choices in the consumer journey.
- (d) **Section 5** sets out our current understanding of how pet owners make decisions at each stage of the consumer journey. It also includes our assessment of specific factors that impact effective decision making at each decision point.
- (e) **Section 6** briefly sets out when we will consult on any remedies.
- (f) **Section 7** sets out how to respond to this working paper.

2. Overview of a pet owner’s journey

2.1 Pet owners make choices about a variety of veterinary services. In this section, we briefly outline what each decision stage involves. In Section 5 (**How pet owners make decisions**), we explore in more detail what information is available to pet owners and what other factors might influence their choices.

2.2 A summary of the typical pet owner’s journey is set out below.

Figure 2.1: Summary of the typical pet owner’s journey



Choice of pet

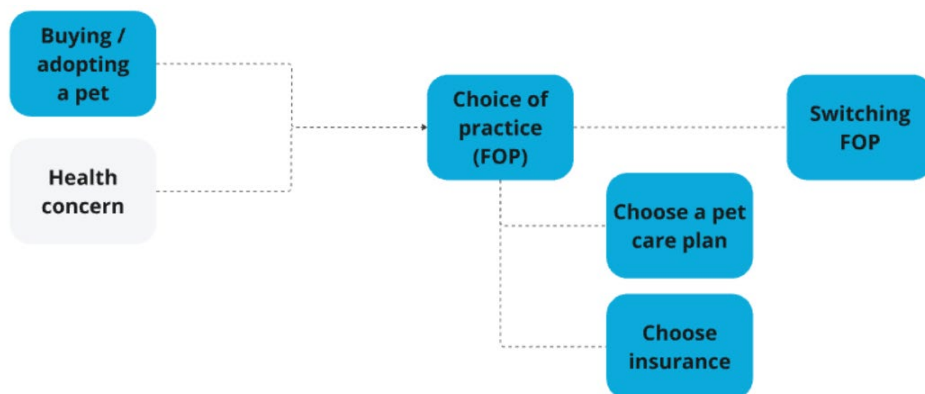
Figure 2.2: Typical journey to buy or adopt a pet



2.3 Before making decisions about veterinary services, a pet owner first decides to get a pet. Typically, they will choose a type of pet (species and breed) and will then choose a specific pet.

Choice of first opinion practice (FOP), pet care plan and pet insurance

Figure 2.3: Typical journey when choosing a first opinion practice

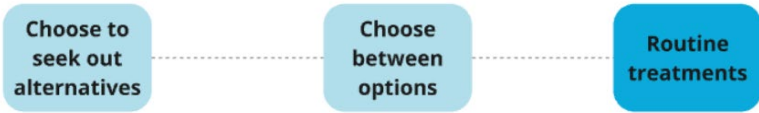


- 2.4 Choice of FOP is typically the first key decision made by a new pet owner. It often occurs directly after getting a pet and may reflect an owner's desire to obtain an initial health check, ensure that their pet is vaccinated or (a little later) neuter their pet. For those pet owners who choose a FOP later, choice of FOP may be triggered by their pet experiencing a health concern. When choosing a FOP, pet owners make decisions about whether and how to seek information about their options – for example in relation to prices, location, services offered, and quality.
- 2.5 Pet owners make separate choices of whether to sign up for a pet care plan and whether to acquire pet insurance (and if so, for each, which option to choose). Pet care plans, otherwise known as pet health plans or healthcare plans, are paid subscriptions to a vet practice or group for a package of routine treatments and services.¹⁰
- 2.6 After choosing a FOP, pet owners can choose whether to remain with this practice or switch to an alternative FOP (if they have alternatives).
- 2.7 Some pet owners may choose not to use veterinary services provided by FOPs, including because they use veterinary services provided by charities such as the People's Dispensary for Sick Animals (**PDSA**) or Royal Society for the Prevention of Cruelty to Animals (**RSPCA**). Such pet owners are not a focus of our assessment as it is the choices of pet owners who use commercial veterinary services that influence competition in the veterinary sector.

¹⁰ As described below, 'pet care plans' are provided direct to consumers by each of the LVGs and many independent vet providers. In contrast, pet owners acquire pet insurance from third-party insurers.

Choice of routine treatments

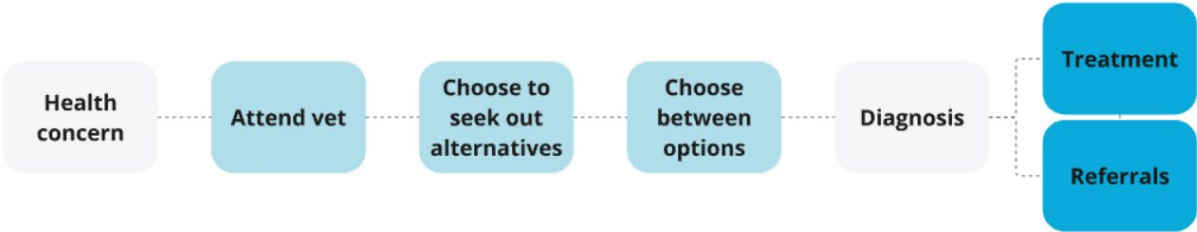
Figure 2.4: Typical journey in the choice of routine treatments



2.8 At regular intervals, pet owners choose whether to attend routine check-ups and whether to use standard preventative veterinary services such as vaccinations, neutering, and flea, tick and worm prevention treatments. Pet owners can decide to seek out and compare alternative treatment options (either from their regular vet or from alternative provider(s)), and then decide between these options and their FOP-recommended treatment.

Choice of other treatments, including diagnostics and referrals

Figure 2.5: Typical journey in the choice of other treatments



2.9 When a pet owner considers that their pet may have a health issue, they face a number of choices including: whether or not to seek or continue to seek veterinary care, whether to ask questions about the recommended course of action (which may include diagnostics, treatment within FOP, and/or referral to another vet or to a referral centre, including an out-of-hours referral centre), and whether to seek and compare alternative options, either from their regular vet or from alternative providers. Ultimately, a pet owner will need to choose between the FOP-recommended treatment (or some parts of such treatment), any alternative treatments they are aware of, or no treatment at all.

2.10 Each of these sets of choices may occur multiple times during one course of treatment, for example if a pet receives a number of diagnostic tests. Although we have drawn a distinction between routine and non-routine treatment, we recognise that there may sometimes be a connection between the two (for example where, during a routine treatment, a vet identifies a more complex condition).

Choice of medicines

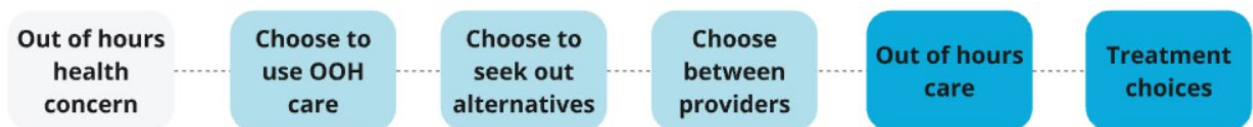
Figure 2.6: Typical journey in the choice of medicines



- 2.11 When a vet recommends the use of a medicine that can be administered by the pet owner themselves, that owner may choose to shop around to see if the medicine is available from other sources and compare prices. If they do so, they will choose between buying medicine from their FOP, buying from an alternative provider, or not buying the medicine at all. For prescription medicines, pet owners would need to obtain a prescription from their FOP before buying from an alternative provider.

Choice of out-of-hours (OOH) provider and treatment

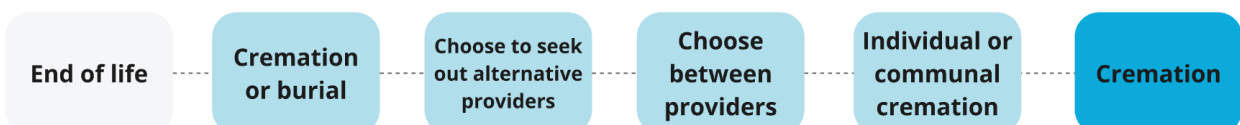
Figure 2.7: Typical journey in the choice of our-of-hours provider and treatment



- 2.12 FOPs are required to make OOH services available to their clients, which can either be done in-house, or outsourced to a third party. In emergency situations that occur out of standard hours, pet owners decide whether to take their pet to the OOH provider offered through their FOP (the FOP-appointed provider, which could be the FOP itself). In principle, pet owners could also choose to seek out and compare alternatives to their FOP-appointed provider, and if so, will choose between these options. Once they arrive at an OOH provider, pet owners will typically face similar choices to those listed above in 'choice of other treatments', but with the additional option of waiting until normal business hours to receive treatment from their regular FOP.

Choice of cremations provider

Figure 2.8: Typical journey in the choice of cremations provider



- 2.13 When a pet dies, either naturally or after being euthanised, pet owners need to decide whether to purchase cremation services, or to dispose of their pet

through burial. If they choose to cremate their pet, owners may choose to seek out and compare options other than their FOP-recommended provider, and if so, will choose between these providers. They may also choose between various cremation options, such as individual or communal cremation.

3. Demand for veterinary services

3.1 Pet ownership in the UK is widespread and common. Estimates indicate that over half of UK households own a pet.¹¹ The market for veterinary services in the UK is significant – the Office for National Statistics (**ONS**) estimated that consumer spend on veterinary and other services for pets was around £6.3 billion in 2023, increasing by an average of around 10% annually since 2013 and around 20% annually between 2020 and 2023.¹²

3.2 In our pet owner survey, respondents mostly owned dogs and cats, as set out in Table 3.1 below. 12% of respondents owned more than one type of pet.

Table 3.1: reported pet ownership, by type of pet

<i>Species</i>	<i>Percentage of respondents that said they own a pet type</i>
Dog	67%
Cat	45%
Fish	7%
Rabbit	4%
Guinea pigs	4%
Hamster	3%
Reptiles	3%
Others (rats, birds, etc.)	5%

Source: *Pet owners survey, Q2*¹³

3.3 The average pet owner’s journey is characterised by frequent visits to the vet. The first years of owning a puppy or kitten typically require vet visits to register the pet and receive initial vaccinations, microchipping, and neutering. As dogs and cats age, industry guides recommend a minimum of one vet visit a year, becoming more frequent for senior pets (usually considered to be dogs over seven and cats over ten).¹⁴ In addition to these routine visits, pet owners may demand non-routine care such as diagnostics and emergency treatments.

3.4 Respondents to our pet owners survey reported visiting the vet frequently, as set out in Table 3.2 below.

¹¹ For example: UK Pet Food estimated that 60% of UK households (17.2 million) own one of the UK’s 36 million pets in 2023/24 ([UK Pet Food](#)), including 31% of households that owned dogs and 26% of households that owned cats; Statista estimated that 57% of UK households owned a pet in 2023 ([Pet ownership in the UK 2023 | Statista](#)); PDSA estimated that 51% of UK adults owned a pet in 2024 ([2024 PDSA Animal Wellbeing \(PAW\) Report](#)).

¹² Office for National Statistics, [Other recreational goods Veterinary and other services for pets CP NSA £m](#) .

¹³ Pet owners survey, Q2 ‘Can you tell me which, if any, household pets you currently own, or have owned within the past 2 years?’.

¹⁴ PetMD, “[How often should I take my dog the veterinarian?](#)” and ‘[How often do you take your cat to the veterinarian?](#)’. RSPCA Pet Insurance, “[How often should my dog visit the vet?](#)” and ‘[How often do cats need to visit the vet for a check-up](#)’.

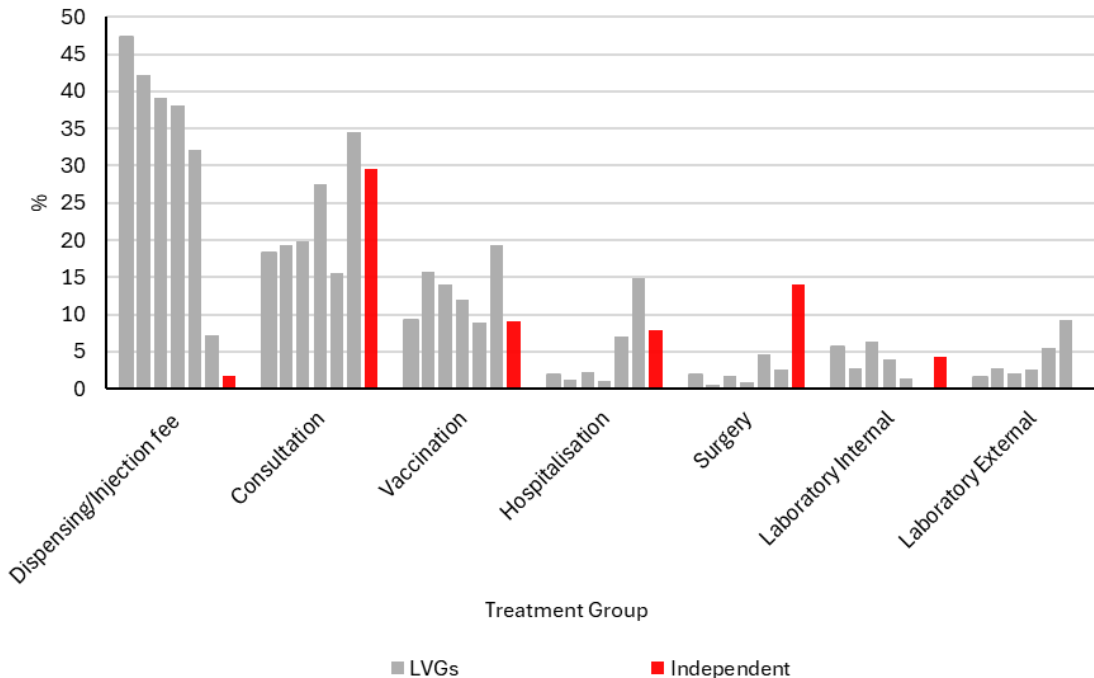
Table 3.2: cumulative rate at which pet owners reported visiting the vet, by type of pet

Number of times visited in the past two years	Percentage of cat owners	Percentage of dog owners
At least twice	82%	89%
At least three times	61%	73%
At least four times	46%	58%
At least five times	32%	45%
At least eight times	13%	24%
At least ten times	8%	17%

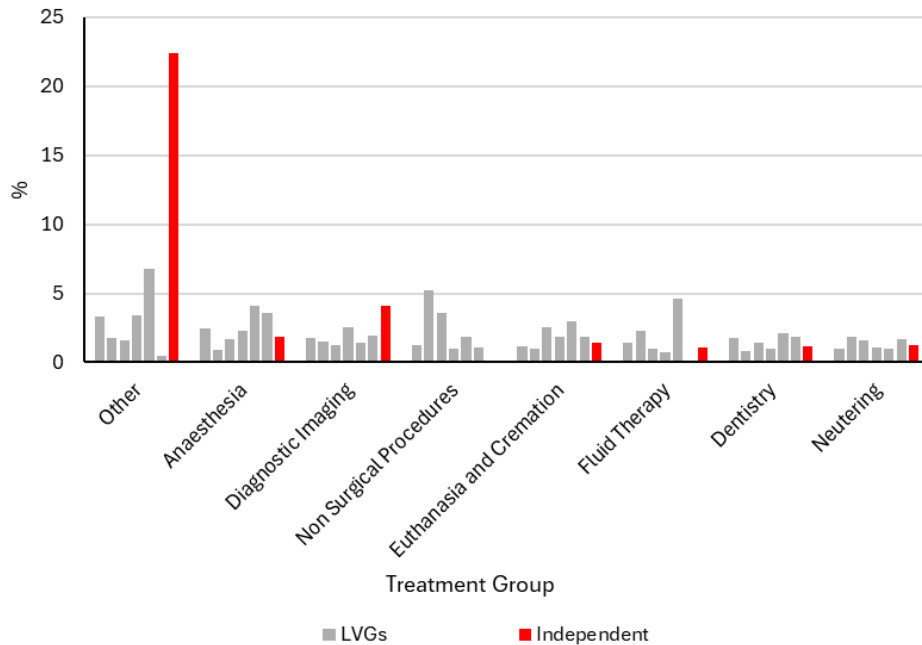
Source: Pet owners survey, Q8¹⁵

3.5 Vet visits can be necessary for a number of reasons. We received information from the LVGs and a sample of independent practices to understand the split of different services used by their customers. Our detailed analysis of this data is set out in our working paper on **Business models, provision of veterinary advice and consumer choice**, but a summary is shown in Figure 3.1 below.

Figure 3.1: Independent vets and Large Veterinary Groups: Treatment Groups by Percentage of Total Number



¹⁵ Pet owners survey, Q8: 'How many times have you taken your pet(s) to the vets?'. Cat owners: 938, Dog owners: 1,541.



Source: CMA Analysis of Corporate RFI8 responses and [redacted] data, as discussed in our working paper on **Business models, provision of veterinary advice and consumer choice**.

3.6 In addition to this analysis, we asked respondents to our pet owners survey which veterinary services they used, both in the last two years and in their last visit. Their responses are summarised in Table 3.3 below.

3.7 Table 3.3 also sets out some indicative information regarding prices of veterinary services. We have not systematically obtained estimates of pricing ranges or averages for each of these veterinary services. We also note that prices vary significantly depending on the FOP, the details of the service being offered, the breed and characteristics of the pet, and a range of other factors. Pricing information for non-routine treatments covered by insurance is based on our analysis of data received from a pet insurance provider [redacted]. For other services not typically covered by insurance, we have summarised some publicly available information. We are not aware of the methodology and quality of these publicly available price estimates, and therefore consider them indicative only and consider that they are not comparable to the insurer [redacted] estimates. Our detailed assessment of treatment prices is set out in our working paper on **Competition in the supply of veterinary medicines**.

Table 3.3: Proportion of pet owners using veterinary services and indicative pricing information

<i>Veterinary service</i>	<i>Percentage of respondents that used service in the last two years</i>	<i>Percentage of respondents that used service in their last visit</i>	<i>Estimated cost per service</i>
Vaccinations	69%	34%	From £50 to £200, depending on the vaccination and pet type(s). ¹⁶
Regular health check	57%	25%	From £25 to £70, depending on the practice and length of consultation. ¹⁷
Consultation to diagnose or treat a condition	54%	24%	Consultation fee: The average value of items categorised as 'consultations' by an insurance provider [3<] was £52 in 2024. ¹⁸ Treatment costs vary significantly depending on the service provided.
Medication	44%	15%	Costs vary significantly depending on the medicine provided, but the average value of items categorised as 'drugs' by an insurance provider [3<] was £39 in 2024. ¹⁹ In addition, FOPs can charge injection and dispensing fees of up to £50. ²⁰
Diagnostic tests	26%	7%	Costs vary significantly depending on the test(s) conducted, but the average value of items categorised as 'diagnostics' by an insurance provider [3<] was £120 in 2024. ²¹
Prescriptions	20%	6%	From around £12 to around £36. ²²
Neutering	20%	5%	From around £120 to around £700 for dogs and £50 to £300 for cats, depending on the service provided and the pet type, weight and sex. ²³
End of life services	17%	8%	From £100 to £400 for a basic cremation service, depending on the type of pet and type of cremation provided, with further costs for additional services. ²⁴
Emergency out-of-hours care	15%	3%	From £200 to £300 for a basic consultation. ²⁵ Treatment costs vary significantly depending on the service provided.
Microchipping	15%	4%	£15 to £20. ²⁶
Surgery	13%	2%	Costs vary significantly depending on the service provided, but the average value of items categorised as 'surgeries' by an insurance provider [3<] was £212 in 2024. ²⁷
Dental work	11%	2%	Costs vary significantly depending on the service provided.
Animal healthcare certificate	3%	1%	From £70 to £300, depending on the practice and service provided. ²⁸
Other services	18%	6%	N/A – range of services.

¹⁶ [A guide to dog and cat vaccinations costs in the UK | ManyPets](#), which surveyed prices at 72 veterinary clinics in England, Scotland and Wales in 2023.

¹⁷ [How much is a vet visit in the UK? | ManyPets](#), which surveyed prices at 73 veterinary clinics in England, Scotland and Wales in 2023.

¹⁸ CMA analysis using an insurance provider [3<] data.

¹⁹ CMA analysis using an insurance provider [3<] data.

²⁰ For further information, see working paper on Competition in the supply of veterinary medicines.

²¹ CMA analysis using an insurance provider [3<] data.

²² For further information, see working paper on Competition in the supply of veterinary medicines.

²³ [How much does it cost to neuter a dog in the UK? | ManyPets](#) and [How much does it cost to neuter a cat in the UK? | ManyPets](#), which surveyed prices at 73 veterinary clinics in England, Scotland and Wales in 2023.

²⁴ For example: [Dog Cremation Cost - Asda Money](#), which estimates basic costs at around £100 to £300; [How much does it cost to keep a dog? | MoneyHelper](#) and [What is the average cost of owning a cat? | MoneyHelper](#), which estimated basic costs in 2020 and 2021 at around £150 to £300; publicly listed prices at two randomly sampled independent crematoria ranging from around £200 to £400: [Central Pet Cremations](#) and [Procure Pet Cremations](#).

²⁵ [How much is an emergency vet appointment? | ManyPets](#), which surveyed prices at 51 out-of-hours veterinary clinics in England, Scotland and Wales in 2023.

²⁶ For example: [Compulsory microchipping: what the law says in the UK for dogs and cats | ManyPets](#), and [What is the average cost of owning a pet? | MoneyHelper](#).

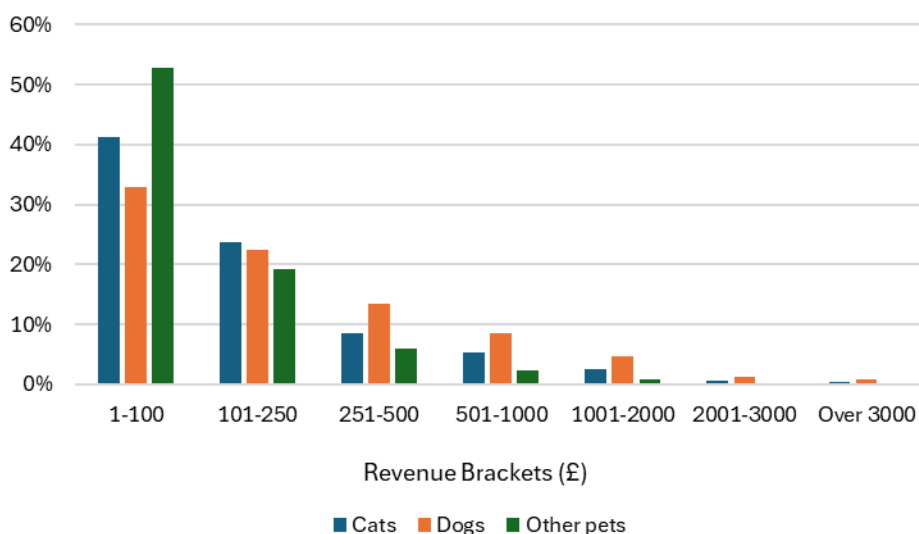
²⁷ CMA analysis using an insurance provider [3<] data.

²⁸ For example: [Pet travel after Brexit: taking a dog to the EU could cost £300 a time | The Guardian](#), which found prices in 2022 ranging from £70 to over £250; [Animal Health Certificate Cost: What to Expect](#), which charges £99 but claims costs at FOPs are around £220-250.

3.8 Lifetime and ongoing veterinary costs incurred by pet owners will vary significantly depending on the species, breed and health of their pet, and on the decisions that pet owners make, including whether they subscribe to pet insurance or pet care plans, and the extent to which they decide to pay for complex medical treatments.

3.9 Data on the revenues earned from different pets in 2023 from the LVGs and a sample of independent practices from [redacted] indicate how pet owners' spending on their pets can vary significantly (Figure 3.2). This data shows that over half of pet owners spent less than £250 at FOPs for their pets in 2023. A small minority (around 1-6%) of pet owners spent over £1000 at FOPs.³¹ Dog owners overall spent the most money, and owners of pets other than cats and dogs spent the least.

Figure 3.2: Pets in revenue brackets across FOPs, 2023



Source: CMA analysis of LVG and [redacted] data. Further information on this data and the analysis we did can be found in our working paper on **Business models, provision of veterinary advice and consumer choice**

3.10 In our pet owners survey, as set out in Table 3.4 below, almost a third of dog owners and one in five cat owners said that they spent over £1000 in the last two years (or £500 per year). This includes one in six dog owners and one in ten cat owners who said that they spent over £2000 in the last two years (£1000 per year).

²⁹ Pet owners survey, Q42 'Thinking about all these visits, what treatments and or services have you used?'

³⁰ Pet owners survey, Q46 'Thinking about the most recent visit to [participant's vet], what was this for?'

³¹ 3% of cat owners spent over £1000 on their pet in 2023, and this figure was 6% for dog owners, and 1% for owners of household pets other than cats and dogs.

Table 3.4: Expenditure on veterinary services over the last two years

<i>Spending over the last two years</i>	<i>Percentage of respondents that own only cats</i>	<i>Percentage of respondents that own only dogs</i>	<i>Percentage of all respondents</i>
Under £500	52%	39%	42%
Between £500 and £999	24%	23%	23%
Between £1000 and £1999	12%	16%	15%
Between £2000 and £3999	7%	10%	9%
Over £4000	3%	6%	6%

Source: *Pet owners survey, Q133.*³²

- 3.11 Both pet care plans and insurance policies cover (partially or in full) the costs of veterinary care for pet owners with coverage. Whilst pet care plans typically cover routine and preventative services, insurance policies typically cover non-routine and non-preventative care.
- 3.12 As set out below in **Choice of pet care plans**, 28% to 50% of customers at LVGs subscribe to pet care plans, depending on the LVG. 29% of respondents to our pet owners survey that attended independent practices said that they subscribed to a pet care plan (compared to 42% of respondents that attended LVG practices).³³ Pet care plans typically cost between £15 and £30 per month, with some plans also requiring a joining fee.³⁴
- 3.13 As set out below in **Choice of insurance**, 56% of respondents to our pet owners survey said that they currently have pet insurance, with a further 9% saying that they had subscribed to pet insurance in the past three years.³⁵ The average pet insurance premium was estimated at £389 in 2023, an increase of 4% from 2022.³⁶

³² Pet owners survey, Q133: participants were asked 'Approximately how much have you spent in total on vet services over the last two years?' by type of animal. The question was including expenditure on pet health care plans and the cost of any services or treatment paid for by insurance, but not including the cost of insurance premiums.

³³ Pet owners survey, Q108.

³⁴ For more information, see **Choice of pet care plans** below.

³⁵ Pet owners survey, Q112.

³⁶ Association of British Insurers. "[Record numbers take out pet insurance for their four-legged fur-ends](#)".

4. Factors impacting pet owners' decision making

4.1 Several attributes of the vet services market have important implications for how pet owners make choices across the consumer journey. In the following section, we explore the presence and impact of two key attributes of the market on pet owners' decision making:

- (a) Pet owners often need to **rely on veterinary experts** to recommend what services or treatments their pet might need, and to give access to some services or treatments. This dynamic has the following implications. First, it is important for pet owners to have trusted relationships with their vets, and evidence indicates that pet owners do display high levels of trust in veterinary experts and their advice. Second, there is possibly a conflict of interest in circumstances where vets, or the entity which employs the vets, have a financial incentive in relation to the clinical recommendations they make, including in relation to treatment options and medicines prescribed.
- (b) Pet owners **make choices on behalf of their pets**, and many pet owners feel a sense of responsibility for their pets, often seeing them as part of the family. This emotional attachment means some choices are made in emergency situations with heightened emotions, which can influence pet owners' decision making.

4.2 There is also a range of consumer characteristics likely to affect demand for veterinary services, and potentially impact pet owners' ability to engage with options and make informed choices, such as a pet owner's location, financial literacy, financial situation, reason for having a pet, and level of experience owning a pet. We set out and discuss some of these key characteristics in **Appendix A** below.

4.3 In addition, uptake of pet care plans and pet insurance is also likely to impact pet owners' choice of treatments. Because pet care plans typically only cover routine treatments and insurance policies typically only cover non-routine treatments, we discuss their impact in the **Choice of routine treatments** and **Choice of non-routine treatments** sections below.

Pet owners often need to rely on veterinary experts

4.4 For some types of vet services, it is difficult for pet owners to know what their pet's health needs are, or to evaluate the quality of service received, even retrospectively. There is therefore an information asymmetry between pet owners and veterinary professionals, and pet owners must rely on veterinary professionals as trained experts to recommend what services a pet needs and then to provide those services. These types of services can be referred to as

credence goods, which can also be found in other markets including human healthcare services.³⁷

- 4.5 For certain services or treatments, vets act as ‘gatekeepers’, where pet owners can only access them through vets. For example, pet owners must obtain a written prescription from a vet before purchasing a medicine, and only vets can carry out most routine and non-routine treatments or refer a pet to receive treatment elsewhere.
- 4.6 Pet owners rely on vets’ opinions particularly in relation to diagnosis and treatment (discussed in detail from **Choice of routine treatment** and onwards). In our pet owners survey, close to half of respondents reported not receiving any options for the treatment they were recommended.³⁸ Additionally, most respondents stated that they did not conduct their own research on alternatives to the treatment they were recommended, mostly because they reported trusting the vet’s decision.³⁹ Around a quarter of respondents felt that they could not decline a suggested diagnostic treatment (26%) or referral (28%) once they had been given an estimated price by their vet.⁴⁰
- 4.7 Pet owners’ reliance on vets for both diagnosis and treatment also means that trust is an important factor in pet owners’ decision making.
 - (a) Pet owners responding to our survey reported having high trust in their vet. Almost all pet owners agreed that their vet focused on the highest standard of care (60% completely agree, 27% somewhat agree)⁴¹ and more than half agreed with the statement ‘I trust my vet practice to offer the fairest prices for treatment’ (33% completely agree and 27% somewhat agree).⁴² Respondents at independent practices were significantly more

³⁷ A market for credence goods is one in which the average consumer is unable to identify the quality of the good or service which best fits their needs and thus relies on an expert who both diagnoses and sells the goods or service to them. Examples of markets for credence goods include healthcare, repair, legal services and financial advice services. Academic evidence indicates that information asymmetries between sellers and buyers and the proximity of sellers to financial rewards creates incentives for three types of inefficiencies: overtreatment, undertreatment and overcharging. These problems are exacerbated by the fact that consumers are often unable to assess the quality of the product they have received even after trade has concluded (Kerschbamer and Sutter 2017, Balafoutas and Kerschbamer 2020).

Kerschbamer, R., & Sutter, M. (2017). The economics of credence goods – A survey of recent lab and field Experiments. *CESifo Economic Studies* 63: 1-23.

Balafoutas, L., & Kerschbamer, R. (2020). Credence goods in the literature: What the past fifteen years have taught us about fraud, incentives, and the role of institutions. *Journal of Behavioral and Experimental Finance*, 26, 100285.

³⁸ Pet owners survey Q52b. Answered “No, only one option was given” for “Regular/routine health check” (44%), “Consultation to diagnose or treat a condition” (46%), “Medication (routine or non-routine)” (44%), Vaccinations (48%), Microchipping (45%), “Surgery (excluding neutering)” (46%), “Neutering” (49%), “Emergency care out of regular practice hours” (44%), “Prescriptions” (43%), “Dental work” (47%).

³⁹ Pet owners survey Q53. “No, because I did not realise I could” (6%), “No because I trusted the vet to make the right decision for my pet” (61%), and “No, because I was unable to do so” (8%).

⁴⁰ Pet owners survey, Q80 and 65.

⁴¹ Pet owners survey, Q36r1 ‘My vet focuses on the highest standard of care for my pet’s health’.

⁴² Pet owners survey, Q36r2 ‘I trust my vet practice to offer the fairest prices for pet treatment’.

likely to agree with the statements above than respondents at LVG practices, although high levels of trust were reported in both groups.^{43 44}

- (b) Pet owners responding to our survey said that trust in their vet was a reason for their choosing to accept their vet's recommendation for referrals (63%) and for diagnostic tests (64%).⁴⁵ The importance of trust was emphasised by those pet owners who said that they preferred independent practices to LVG-owned practices. When asked why they preferred independent practices, 40% of these pet owners said this was because they trusted the advice of their independent vet more.⁴⁶
- (c) A 2023 survey of pet owners conducted by Which? found that some pet owners chose to trust their vet's recommendations even when they doubted the necessity of treatment. Of 549 pet owners who doubted the necessity of treatment, 46% trusted their vets and proceeded with treatment.⁴⁷
- (d) Surveys commissioned by the RCVS in 2015 and 2019 found that pet owners were 'satisfied' or 'very satisfied' with their vet (78% in 2015, 80% in 2019) and trusted their vets 'generally' or 'completely' (95% in 2015, 94% in 2019),⁴⁸ although we note that these surveys are quite dated.
- (e) When measured using an LVG's [3<] 'net promoter score', which measures consumer likelihood to recommend the LVG [3<] practice to family and friends, the LVG [3<] practices recorded a three-month rolling average of 69.4 with an average score of 70.3 to May 2024.⁴⁹

4.8 Pet owners' trust in their veterinary providers can generate more sales and build client loyalty.

⁴³ Pet owners survey, Q36r1: 91% of respondents at independent practices agreed with this statement, compared to 86% of respondents at LVG practices. Q36r2: 69% of respondents at independent practices agreed with this statement, compared to 55% of respondents at LVG practices.

⁴⁴ In this working paper, we compare survey results based on responses to other questions (for example, in this analysis we compare responses based on whether the respondent was a customer of an LVG or independent FOP). Where we refer to differences between two groups of respondents as 'significantly' different, this refers to the results of statistical testing conducted [*Significance tests are based on a 95% confidence level using z-tests for independent samples.*]

⁴⁵ Pet owners survey, Q69 and 81.

⁴⁶ Pet owners survey, Q22. The same question was asked in in Q23 for pet owners that said they preferred LVG practices. Of these users, 18% reported that this was because they trusted the advice of their LVG vet more.

⁴⁷ [Which? consumer harm in veterinary services](#), 22/12/23.

⁴⁸ [RCVS Issues Statement Response](#) – paragraph 82(a), pp. 10-11. The 2015 survey had a sample of 2002 pet owners, and the 2019 survey had a sample of 2000 pet owners.

⁴⁹ The LVG's [3<] net promoter score measures answers to the question 'On a scale of 0 - 10, where 0 is extremely unlikely and 10 is extremely likely, how likely are you to recommend our practice to your family and friends?' This question is sent to clients 48 hours after an appointment. NPS is calculated by deducting detractors (those who score 0 to 6) from promoters (those who score 9 or 10). [3<]

- (a) Evidence from internal documents from some of the LVGs demonstrates the importance of trust in relationships between vets and pet owners. For example:
 - (i) In an LVG [redacted] internal document [redacted].⁵⁰
 - (ii) The same LVG's [redacted] Best Practice Guide says, '[redacted]'.⁵¹
 - (iii) In a strategic document from the same LVG [redacted], [redacted].⁵²
- (b) Academic evidence gives support to the influence of trust on client loyalty and number of goods and products consumed. A quantitative study examined the role of communication on satisfaction, client loyalty to veterinary clinics, trust, and commitment to return to vet clinic. They found that trust is a strong predictor of client loyalty which in turn has a strong positive effect on number of goods and services consumed.⁵³

4.9 Due to the reliance on veterinary professionals for both diagnosis and treatment, a relationship with the veterinary professional or practice is important to pet owners.

- (a) During a roundtable conversation with pet owners, attendees reflected on the importance of continuity of care, which they felt had decreased.⁵⁴
- (b) In an LVG's [redacted] consumer insight survey completed by 463 registered clients, 86% of clients listed the vet that they see as one of the top things they value about the practice, the second most common being the nurse that they see.⁵⁵
- (c) A marketing strategy presentation submitted by another LVG [redacted] outlines [redacted]. It mentions that [redacted].⁵⁶
- (d) In response to our Issues Statement, a vet submitted that pet owners building relationships with their veterinary practice supports them to feel confident asking their vet to offer alternative options or question prices.

⁵⁰ LVG response to RFI3, Q26 [redacted]

⁵¹ LVG response to RFI3, Q26 [redacted]

⁵² LVG response to RFI4, Q3 [redacted]

⁵³ The study was conducted with a snowball sample of 351 pet owners who were recruited using through social media. Participants were from 39 US states and one Canadian province. From their regression analyses, they found that the effect of trust on attitudinal loyalty (AL) and client commitment to use the vet was positive (0.172, 0.158 respectively) and statistically significant (p-value <0.001, p-value < 0.09 respectively). The effect of AL on the number of products or services consumed at the pet owner's primary clinic is positive (0.938) and statistically significant with p-value < 0.001.

Brown, B. R. (2018). The dimensions of pet-owner loyalty and the relationship with communication, trust, commitment and perceived value. *Veterinary Sciences*, 5(4), 95.

⁵⁴ [Summary of consumer roundtable discussions](#), paragraph 6.

⁵⁵ LVG response to RFI4, Q3 [redacted]

⁵⁶ LVG response to RFI4, Q3 [redacted]

They submitted that building these relationships would not be possible if pet owners change practices regularly.⁵⁷

- 4.10 Pet owners' reliance on vets for both diagnosis and treatment may potentially create a conflict of interest where vets, or the entity which employs the vets, have a financial incentive in relation to the clinical recommendations they make.
- (a) There is some empirical evidence from human healthcare settings to suggest that, where the expert may benefit financially from the provision of certain treatments, information asymmetry can lead to the provision of more expensive treatments under comparable clinical situations.
- (i) Two empirical studies demonstrate that provision of more expensive treatment (caesarean deliveries) relative to cheaper treatment (natural deliveries) correlates with differences in obstetrician remuneration, even after controlling for medical indications of the mother and foetus.⁵⁸
- (ii) Another study found that doctors who were allowed to sell pharmaceuticals at their office tended to prescribe drugs with higher mark-ups, controlling for medical indication and drug effectiveness.⁵⁹
- (iii) A field experiment explored dental provision to a patient who did not need dental care and found an overtreatment rate of 28%.⁶⁰

⁵⁷ Independent response to Issues Statement [3<]

⁵⁸ Gruber and Owning (1996) using a nationally representative sample of over 250,000 births between 1970 – 1982 from over 400 hospitals across the US found a substitution towards more expensive -caesarean delivery- to alleviate negative income shock to practitioners due to falling fertility rates.

Gruber, J., & Owings, M. (1996). Physician financial incentives and Caesarean section delivery. *Rand Journal of Economics* 27(1), 99-123.

Gruber et al (1999) studied the effect of Medicaid fee differential on the provision of caesarean delivery versus natural delivery on a random sample of 365,942 deliveries across eleven US states during the period of 1988 – 1992.

Gruber, J., J. Kim, & D. Mayzlin. (1999), "Physician fees and procedure intensity: The case of Caesarean delivery", *Journal of Health Economics*. 18, 473–90.

⁵⁹ Iizuka (2006) investigates the effect of vertical integration in the Japanese prescription drug market using a market level unbalanced panel data set with 254 observations across 40 products for the period 1991-1997. The study finds that when physicians benefit from drug sales, prescription choices are influenced by medication mark up.

Iizuka, T. (2007). Experts' agency problems: Evidence from the prescription drug market in Japan. *RAND Journal of Economics* 38(3), 844-862.

⁶⁰ In their field study a test patient visited 180 dentists. The test patient did not have any need for dental treatment; thus every recorded dental prescription was classified as overtreatment. In addition, they found that being perceived as a patient with a high socioeconomic status reduced the likelihood of overtreatment by about 17 percentage points compared to a patient with a low socioeconomic status. The authors give three possible hypotheses for the secondary finding: that high socioeconomic status patients might be perceived to be of similar status to the dentist, to be more likely to become return patients or to have more information about what they require.

Gottschalk, F., Mimra, W., & Waibel, C. (2020). Health services as credence goods: A field experiment. *The Economic Journal*, 130(629), 1346-1383.

Pet owners have to make decisions on behalf of their pets and some pet owners are emotionally attached to their pets

Parties suggest pet owners are increasingly ‘humanising’ their pets

- 4.11 Pet humanisation and pet anthropomorphism refer to a range of ideas and behaviours whereby pet owners regard their pets as family members, children, or friends. Pet owners who have a stronger emotional attachment to their pets are considered to humanise them more.
- 4.12 We have heard that pet owners are humanising their pets and that this humanisation is a driver of pet healthcare spending.
- (a) Most pet owners (78%) responding to our survey reported considering their pet’s healthcare at least as important as the healthcare of a family member – including 6% of pet owners that considered it more important.⁶¹ Additionally, most pet owners said that pet care costs should either always (42%) or often (34%) be prioritised over other important household expenses.⁶²
 - (b) From a roundtable discussion with academics, we heard that pet owners’ increased access to and knowledge of human medicine has led to their wanting a similar level of care for their animals. One participant shared that increased awareness of the range of opportunities for care that exist combined with the availability of pet insurance drives demand.⁶³
 - (c) Internal customer research from an LVG [§<] found that less than 6% of clients felt they would try to reduce spend on vet care in an economic recession and only about 7% said they would not reduce spend on themselves or their family to pay for pet healthcare.⁶⁴
- 4.13 In a roundtable discussion with charities, we heard that changes in pet owners’ relationship with their pets influence the level of veterinary treatment expected for their pets. One attendee noted that people sometimes referred to pets as their ‘fur babies’ and had higher expectations of veterinary care now that pets are often elevated to the status of a family member. Attendees suggested that pet owners’ expectations had been increased by television programmes showing techniques in veterinary care and that those watching had no concept of the cost of those treatments.⁶⁵

⁶¹ Pet owners survey, Q134.

⁶² Pet owners survey, Q134a.

⁶³ [Summary of academic roundtable discussions](#), paragraph 14.

⁶⁴ LVG response to RFI3, Q22 [§<]

⁶⁵ [Summary of animal charity roundtable discussions](#), paragraphs 11 and 13.

- 4.14 There is evidence that vet businesses may see trends in pet humanisation as both an opportunity to sell services and as an explanation for the increased uptake of certain veterinary services, including some non-veterinary pet products. For example:
- (a) In an LVG [redacted] document, humanisation was described as an opportunity in relation to secondary revenue opportunities, supplements, and nutrition.⁶⁶
 - (b) Other documents submitted by an investor [redacted] in an LVG [redacted] indicate that pet humanisation may be a driver of greater pet spend. A due diligence report identified that pet humanisation, greater penetration of insurance, and increasing availability of advanced procedures due to technological advances was leading to growth and client uptake of diagnostic imaging. The same document identified that pet owners' desire to provide human-style healthcare for their pets was driving growth in referrals. The document attributed increased estimated pet spend per annum to pet owners increasingly approaching pet healthcare as they would the healthcare needs of family members.⁶⁷ Another business assessment report conducted on behalf of the investor [redacted] identified that increasing humanisation of pets and increasing medicalisation of pets (that is, pet healthcare shifting closer to human healthcare standards) were opportunities to be leveraged.⁶⁸
 - (c) An LVG [redacted] Management Presentation identified [redacted].⁶⁹
 - (d) [redacted] conducted on behalf of another LVG [redacted] suggested that a rise in pet owner spending reflected wider pet owner trends, including [redacted]. This spending was also linked to a [redacted] with consumers opting for [redacted] which typically attract a [redacted] and [redacted].⁷⁰
 - (e) The same LVG [redacted] submitted that it tracked metrics linked to [redacted] in its [redacted], and that its [redacted] suggested that all pet owners are becoming more engaged, that pet owners aged between [redacted] were the most engaged, and that [redacted].⁷¹
- 4.15 Some of the vets and groups we have heard from noted a cultural shift in recent years among pet owners towards being more informed about their animal's health and the available treatments. This is said to have been driven in part by media representation of vet services, portraying 'cutting edge' treatments as

⁶⁶ LVG response to RF13, Q15 [redacted]

⁶⁷ LVG response to RF11, Q1 [redacted]

⁶⁸ LVG response to RF11, Q1 [redacted]

⁶⁹ LVG response to RF14, Q3 [redacted]

⁷⁰ LVG response to RF13, Q16 [redacted]

⁷¹ LVG response to RF13 [redacted]

more normal. In addition, there have been suggestions that the growth in social media use over recent years has exposed vets to potentially highly visible criticism from clients, which drives vet-led recommendations for certain diagnostics and treatments to protect against this threat. For example:

- (a) Linnaeus submitted that TV and social media showing specialist procedures with little reference to cost have contributed to a shift in consumer expectations, which has led to more frequent vet visits and increased demand for more complex treatments.⁷²
- (b) BVNA submitted that the influence of TV shows such as ‘Supervet’ had led to higher expectations for standards of care, and that these increased expectations were driving an increase in pet insurance uptake.⁷³
- (c) VetPartners submitted that, due to humanisation, pet owners were willing to spend more on their pets. VetPartners shared that social media platforms and TV series like ‘Supervet’ contributed to a culture where vets feel they may be criticised for failing to recommend advanced care to pets.⁷⁴
- (d) An independent vet hospital [§<] submitted that while some practices charge very high prices for advanced procedures, these are often driven by demand from clients wanting the best for their pet, with television programs and other media setting the benchmark as to what that ‘best’ constitutes.⁷⁵

4.16 Despite this evidence above, we have identified only limited evidence on the extent to which humanisation may be driving greater pet care spending. While some academics argue that advances in veterinary care and humanisation of pets are leading to unnecessary pet suffering, caregiver burden, and financial cost,⁷⁶ we have not identified any academic evidence that establishes a causal link between increased humanisation and increased veterinary expenditure.

4.17 We note that increases in treatment complexity and intensity can be both demand-driven (as described above) and supply-driven: pet owners might be choosing more complex treatments because they are being recommended by their vet practice and not requesting them in the absence of such suggestions. Our working paper on **Business models, provision of veterinary advice and consumer choice** considers the ability and incentive of vet providers to

⁷² [Linnaeus Issues Statement Response](#) – paragraph 2.3a.

⁷³ [BVNA Issues Statement Response](#) – p.3.

⁷⁴ VetPartners’ Issues Statement response – paragraph 3.10, p.4.

⁷⁵ Independent response to RF11, Q1 [§<]

⁷⁶ Quain, A., Ward, M. P., & Mullan, S. (2021). Ethical challenges posed by advanced veterinary care in companion animal veterinary practice. *Animals*, 11(11), 3010.

concentrate on increasing treatment intensity and/or providing more sophisticated, higher-cost treatment options.

The emotional context of some vet services can influence pet owners' decision making

- 4.18 As described in detail below **Choice of routine treatment**, some vet treatments are more routine, including for example flea treatments, vaccinations, and neutering. These routine vet treatments might be relatively unemotional, non-urgent, tend to be cheaper and give the owner the chance to shop around. Others, including non-routine treatments and diagnostics, might involve quick or life-threatening decisions. These are likely to be more emotional, more urgent, more dependent on trust in the vet, and more expensive. In the rest of this section, we consider the likely impacts of such situations on pet owners' decision making.
- 4.19 Pet owners are likely to experience different emotions when making different choices. For situations which are urgent, or which have high cost or large animal welfare implications, owners may be making decisions in a state of stress and anxiety. For other situations, particularly where there has been a decline in pet health or the (prospective or actual) death of a pet, customers may be making decisions while experiencing sadness, anger, potential loss or anticipated guilt, as well as uncertainty.
- 4.20 We identified some evidence concerning the emotional context of decision making and how this may influence judgement and decisions across different vet services. For example:
- (a) We heard in a roundtable conversation with consumers that emotional pressures can present challenges for pet owners making decisions. Attendees talked about the emotional toll of making decisions about veterinary care. One attendee noted that people do not ask questions when they are anxious and nervous. Another expressed the view that the emotional difficulty of engaging with choices was intensified for pet owners who relied on their pets for sight or support in hearing.⁷⁷
 - (b) Qualitative consumer experience research conducted on behalf of an LVG [redacted] indicates that [redacted].⁷⁸

⁷⁷ [Summary of consumer roundtable discussions](#), paragraph 5.

⁷⁸ LVG response to RFI3, Q22 [redacted]

- (c) In a conversation with academics, we heard that some pet owners consider animals to be dependents or treat them like children and this has an impact on pet owners' feelings of guilt and responsibility.⁷⁹
- (d) Pet owners told us that there may be guilt associated with choosing a more pragmatic treatment option relative to a more expensive one (even if the clinical outcome would have been similar in practice).⁸⁰
- (e) There is academic evidence (primarily from laboratory experiments) that different emotional contexts can influence decision making in specific ways, including:
 - (i) acute stress can enhance decision bias by increasing risky choices;⁸¹
 - (ii) sadness can be associated with reduced decisiveness, financial impatience, and increased willingness to pay;⁸²
 - (iii) anger can be associated with risk-seeking choices;⁸³
 - (iv) aversion to loss can lead to irrational financial decisions;⁸⁴ and
 - (v) guilt can be a driver of pet owner spending on their pet.⁸⁵

4.21 Our current understanding is that some vet visits can be particularly stressful for pet owners, which can increase the negative impact on decision making. Some

⁷⁹ [Summary of academic roundtable discussions](#), paragraph 15.

⁸⁰ [Summary of consumer roundtable discussions](#), paragraph 11.

⁸¹ Morgado et al. (2015) conducted a review of 16 published experimental studies which looked at the effects of stress on decision making. Morgado, P., Sousa, N., & Cerqueira, J. J. (2015). The impact of stress in decision making in the context of uncertainty. *Journal of Neuroscience Research*, 93(6), 839-847.

Starcke & Brand (2012) presented a review relevant studies published between 1985 – 2011 which supports the idea that stress affects decision making. Starcke, K., & Brand, M. (2012). Decision making under stress: a selective review. *Neuroscience & Biobehavioral Reviews*, 36(4), 1228-1248.

⁸² Pereira, B., & Rick, S. (2017). Sadness reduces decisiveness. *Advances in Consumer Research*, 45, 812-814.

Lerner, J. S., Li, Y., & Weber, E. U. (2013). The financial costs of sadness. *Psychological science*, 24(1), 72-79.

⁸³ Lerner, J. S., & Keltner, D. (2001). Fear, anger, and risk. *Journal of personality and social psychology*, 81(1), 146.

⁸⁴ Kahneman, D., & Tversky, A. (1979). Prospect theory: An analysis of decision under risk. In *Econometrica*, 47, 363-391.

Attanasi, G., Rimbaud, C., & Villeval, M. C. (2019). Embezzlement and guilt aversion. *Journal of Economic Behavior & Organization*, 167, 409-429.

Charness, G., & Dufwenberg, M. (2006). Promises and partnership. *Econometrica*, 74(6), 1579-1601.

Chang, L. J., Smith, A., Dufwenberg, M., & Sanfey, A. G. (2011). Triangulating the neural, psychological, and economic bases of guilt aversion. *Neuron*, 70(3), 560-572.

Dufwenberg, M., & Gneezy, U. (2000). Measuring beliefs in an experimental lost wallet game. *Games and economic Behavior*, 30(2), 163-182.

Ketelaar, T., & Tung Au, W. (2003). The effects of feelings of guilt on the behaviour of uncooperative individuals in repeated social bargaining games: An affect-as-information interpretation of the role of emotion in social interaction. *Cognition and emotion*, 17(3), 429-453.

⁸⁵ Brockman et al (2008) in their study identified that guilt might be a strong moderating factor in pet owner decision on veterinary spending. Some pet owners reported spending more on their pets in order to avoid feeling guilty otherwise.

Brockman, B. K., Taylor, V. A., & Brockman, C. M. (2008). The price of unconditional love: Consumer decision making for high-dollar veterinary care. *Journal of Business Research*, 61(5), 397-405.

examples of the types of visits that are particularly likely to be stressful include when:

- (a) treatment is an emergency;
- (b) treatment involves life or death possibilities for the pet;
- (c) the treatment decision is likely to seriously impact the pet's health or wellbeing; or
- (d) treatment is likely to significantly impact household budgets.

4.22 Some academic evidence suggests that situations where the consequences of a poor choice are large can influence people's decision making in a particular way. Specifically, people pay less attention to probability information, excessively undertaking protective measures, over-rely on social norms and expert advice, and have a greater tendency to rely on status quo or defaults.⁸⁶

4.23 We have seen evidence to suggest that some LVGs acknowledge and make efforts to support vets to handle pet owners' emotions during visits. For example:

- (a) In an LVG's [3<] consultation skills presentation, emotion is highlighted as a cause of decisional conflict between pet owner and veterinarian. The presentation highlights how emotions can be handled by discussing alternative options using risk communication, evaluating benefits versus risk and encouraging clients to express preferences at the second step in a three-step process of shared decision making.⁸⁷
- (b) In its response to our Issues Statement, VetPartners submitted that, given the distress that pet owners may be experiencing, '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'.⁸⁸

⁸⁶ Academic evidence suggests that in high stakes situations, people may: (1) Pay less attention to probability information. For example, pet owners might exaggerate the likelihood of their pets getting ill or over-estimate the likelihood of their pets recovering following treatment. (2) Excessively undertake protective measures. For example, pet owners might undertake insurance, pet care plan and make more visits to the vet than is necessary. (3) Have an over-reliance on social norms and expert advice. For example, pet owners might rely heavily on friends and family, social media forums. They may also defer decisions to the expert as opposed to engage adequately with the decision-making process. (4) Have a greater tendency to rely on status quo or defaults. For example, pet owners might opt for their vet practice's first recommendation on decisions like medicines, cremations, referrals and OOH services.

Kunreuther, H., Meyer, R., Zeckhauser, R., Slovic, P., Schwartz, B., Schade, C. & Hogarth, R. (2002). High stakes decision making: Normative, descriptive and prescriptive considerations. *Marketing Letters*, 13, 259-268.

⁸⁷ LVG response to RFI3, Q22 [3<]

⁸⁸ [VetPartners' Issues Statement Response](#) – paragraph 3.4

Emerging view on factors impacting pet owners' decision making

- 4.24 We consider that these contextual factors around how vet services are bought may limit pet owners' ability to consider material information, evaluate the advice of their vet, make effective choices and shop around. These challenges pet owners face may, in turn, limit how much pet owners stimulate rivalry between competing suppliers.
- 4.25 These factors may be more or less present for choices around different vet services, and for different pet owners. For example, the information asymmetry between pet owners and vets is likely to be greater for non-routine treatments than for routine treatments. We discuss how these factors may affect decision making and interact with other market features (including a lack of available information) across the pet owner journey in the section below, as we consider the various types of consumer choices in turn.

5. How pet owners make decisions

5.1 This section sets out our current understanding of how pet owners make choices at each key stage of the consumer journey. We set out evidence gathered to date on the specific factors that impact effective decision making and consider what appear to be the implications and results of these factors.

Choice of pet

5.2 Before making decisions about veterinary services, a pet owner first decides to get a pet. This choice is not always discretionary – as discussed above, a small number of pet owners rely on highly trained pets for vital assistance.

5.3 Typically, pet owners will choose a type of pet (both species and breed) and will then choose a specific pet. While these are not choices about veterinary services, they are likely to impact the veterinary services used by pet owners. In particular, evidence indicates that some breeds are more likely to require additional or more expensive veterinary care.⁸⁹

5.4 Relevant to this, we note that the rise in pet ownership reported by some since the Covid pandemic⁹⁰ may have included a rise in new pet owners who decided to purchase their pet at a time of lower household expenditure, but who are now facing normal or increased other spending costs.⁹¹ Evidence indicates that some pet owners do not engage with information to understand the potential health outcomes and costs of choosing a particular species or breed of pet, or the costs of owning a pet more generally.⁹²

⁸⁹ See, for example, [Pedigree dogs health problems | RSPCA - RSPCA - rspca.org.uk](#), and [Summary of animal charity roundtable discussions](#), paragraph 12.

⁹⁰ See [New Pet Population Data released | UK Pet Food](#), in which 11% of pet owners surveyed stated their pet was new since the pandemic. However, we note PDSA's 2022 report ([The PAW Report 2022 – PDSA](#)) found no statistically significant increase in pet ownership or pet acquisition between 2020-2022.

⁹¹ LVG response to RF11, Q1 [3<]

⁹² In response to a PDSA survey of 5,258 UK pet owners, only 24% of respondents said that they looked into the cost of owning a pet before they chose them. 13% of respondents said that they didn't do anything before choosing their pet ([The PAW Report 2024 - PDSA](#)). PDSA's previous (2023) report found that 60% of respondents underestimated the minimum monthly cost of owning a pet.

Choice of first opinion practice

Our emerging view on how pet owners choose FOPs

Pet owners tend to choose their FOP either when they first get a pet, when they move home, or when they require routine treatment for their pet. Our emerging view is that a significant proportion of pet owners do not consider multiple options when choosing a FOP. Where they do consider multiple options, it appears that pet owners typically consider location first, followed by personal recommendations, and then consider a range of factors including prices, service range and quality, online reviews, opening hours and appointment availability, staff, practice ownership, and parking and public transport, as set out in Table 5.1 below.

For some of these factors, in particular price, service range, quality and practice ownership, it appears that pet owners may often not be able to effectively compare between FOPs, given a lack of available and comparable information. Our working paper on the **Regulatory framework for veterinary professionals and veterinary services** discusses whether the provision of available and comparable information could be better supported by more effective regulation.

We have seen evidence indicating that some pet owners may have an appetite to compare the offerings of different FOPs – for example, 43% of respondents to our pet owners survey said that they considered more than one practice when choosing a FOP.⁹³ However, high levels of pet owner trust in vets may mean that other pet owners might not, even if more information were available and accessible. Some pet owners may underestimate the value of shopping around because they mistakenly believe that all FOPs provide similar services at similar prices, given the lack of available and comparable information. Where choice of FOP is an urgent decision (which our pet owners survey indicates is the case around 8% of the time⁹⁴), pet owners' ability to shop around and compare options is likely to be limited.

Together, these factors may mean that consumers do not shop around effectively when choosing a FOP, which may lead to weaker competition between FOPs.

In addition, switching rates between FOPs appear to be lower than we might expect in a well-functioning market, with only 3% of respondents to our pet owners survey reporting that they proactively switched FOPs in the past 12 months.⁹⁵ Certain factors, including pet owner trust in vets and subscription to pet care plans, could limit pet owners' ability and willingness to switch.

⁹³ Pet owners survey, Q12b.

⁹⁴ Pet owners survey, Q12.

⁹⁵ 'Proactive' switching excludes consumers that switched because they moved home or because their previous vet practice closed down.

Overall, the evidence we have on how customers behave (in this section and other sections of this working paper) indicates that the advice pet owners receive from FOPs, including how much vets inform them about a range of options to diagnose and treat their pets, is likely to have a limited effect on which FOP a pet owner uses. In our working paper on **Business models, provision of veterinary advice and consumer choice**, we consider how this, and more broadly how consumers make choices, may affect competition between FOPs and the outcomes this may lead to for consumers.

- 5.5 Choice of FOP is typically the first key decision relating to veterinary care made by an owner of a new pet. In this section, we consider:
- (a) when and how pet owners choose FOPs;
 - (b) the factors pet owners consider when choosing a FOP;
 - (c) the information that is available to pet owners, including on pricing, service quality, and practice ownership; and
 - (d) the extent to which pet owners are able to, and do, switch FOPs.

When and how pet owners choose FOPs

- 5.6 The point at which pet owners decide to choose a FOP can vary. Some pet owners choose a new FOP when they first get a pet or move home. 35% of respondents to our pet owners survey reported choosing their vet practice in advance of their pet needing any particular treatment. Many other pet owners choose a FOP when they require a routine or non-emergency treatment, including a vaccination, neutering or general health check (53% of respondents to our pet owners survey), while a smaller proportion of pet owners choose a FOP when they require urgent treatment (8% of respondents).⁹⁶
- 5.7 Evidence indicates that a significant proportion of pet owners do not consider multiple practices when choosing a FOP. In our pet owners survey, 51% of respondents said that they only considered one practice. 29% of respondents said that they considered two practices, while 15% of respondents said that they considered three or more practices.⁹⁷
- (a) Of those respondents to our pet owners survey that only considered one practice, 24% felt that they did not have a choice of practices to compare (this is 9% of all respondents to the survey).⁹⁸ Most commonly, respondents submitted that this was because there was only one practice

⁹⁶ Pet owners survey, Q12. This question was only asked of respondents who had been with their current FOP for less than 10 years.

⁹⁷ Pet owners survey, Q12b. This question was only asked of respondents who had been with their current FOP for less than 10 years. The remaining 6% of respondents could not recall.

⁹⁸ Pet owners survey, Q12c.

in what they considered to be their local area (55% of those respondents that felt they did not have a choice of practices, or around 5% of all survey respondents).⁹⁹ We consider whether pet owners have sufficient choice in local areas in our working paper on **Analysis of local competition**. Of those that felt they did not have a choice of practices, some said they felt this was because other vets could not offer the type of treatment or services they needed (13%), or because they were unhappy with or had heard negative things about the alternative vet practice(s) in their area (9%).¹⁰⁰

- (b) The majority (66%) of respondents that did not consider multiple practices said they felt they *did* have a choice.¹⁰¹ These pet owners selected a wide range of reasons for their lack of comparison, including ‘I was happy with my choice’ (50%), ‘I didn’t think there would be much difference between practices’ (18%) and ‘I thought most practices charged very similar prices’ (14%). 15% of respondents said that they just did not think about comparing options.¹⁰²

5.8 Besides traditional FOPs, there are some emerging ways to access veterinary services, which some pet owners may consider. These include business models which offer forms of telemedicine. This involves the provision of certain veterinary services via video-link, instant messaging, telephone or other remote means. Besides the use of technology, veterinary services can also be offered outside of the traditional brick and mortar practice model, including through mobile veterinary services as well as more targeted offerings from limited service providers (**LSPs**). LSPs offer no more than one service to their clients and include, but are not limited to, vaccination clinics and neutering clinics.

5.9 However, our pet owners survey indicates that the use of veterinary telemedicine and mobile veterinary services is currently very limited. 7% of respondents said that they had used telemedicine services in the past two years, with only 3% saying that they still used them.¹⁰³ Of respondents that reported using telemedicine services in the past two years, reasons provided for using them included that they suited respondents’ work and personal time commitments (27%), that they were included in respondents’ insurance coverage (21%), that they were more affordable (13%), because of the location of respondents’ in-person practices (13%) and because of Covid lockdowns

⁹⁹ Pet owners survey, Q12d.

¹⁰⁰ Pet owners survey, Q12d.

¹⁰¹ Pet owners survey, Q12c.

¹⁰² Pet owners survey, Q12e. More than one answer could be given, so percentages sum to more than 100%.

¹⁰³ Pet owners survey, Q124.

(11%).¹⁰⁴ Only 4% of respondents said that they had used mobile or in-home consultations in the past two years, with 1% saying that they still used them.¹⁰⁵

- 5.10 We note that there are restrictions placed around telemedicine, mobile and LSP models which may be constraining their operations in the market currently as well as potentially hindering new entry. These considerations are discussed in our working paper on the **Regulatory framework**. We also consider that pet owners may not see these models as long-term replacements for their traditional FOP even if they have used them in the past two years, for example if they used them for a particular need at a particular point in time.
- 5.11 Another emerging trend is the provision of more comprehensive pet care subscription services, which include non-routine treatments and consultations, and may be offered exclusively or as an option to FOP customers. Such service models are also currently rare – while a few independent practices operate under this model, most of these operate only at a few locations at this stage.¹⁰⁶

Factors considered by pet owners when choosing a FOP

- 5.12 Pet owners appear to consider a range of factors when choosing a FOP, and the relative importance of these factors differs significantly depending on the characteristics of the pet owner and the context of the choice they are making. In summary, evidence to date indicates that the most important factor is location, followed by word of mouth and personal recommendations. A wide range of other factors are given varying weight by different pet owners, including prices, service range and quality, online reviews, opening hours and appointment availability, staff, practice ownership, and parking and/or public transport.

Location

- 5.13 As a starting point, we note that as set out in our working paper on **Analysis of local concentration**, the catchment area drive time for 80% of customers ranged from 17 to 20 minutes in urban and small town areas, 25 to 29 minutes in rural areas, and 30 to 45 minutes in very rural areas. As discussed in that working paper, LVG internal documents look at the presence of competitors and local demographics within a distance of 12 to 40 minutes and/or 5 to 15 miles of a focal site.

¹⁰⁴ Pet owners survey, Q125.

¹⁰⁵ Pet owners survey, Q127.

¹⁰⁶ For example, of the four subscription-only practices listed in [Are subscription plans the future of vet care? | Vet Times](#), [Creature Comforts](#) has five sites, [Snoots](#) has two sites, and [Pickles](#) and [Garden Vets](#) have one site.

- 5.14 We therefore consider that for almost all pet owners, choice of FOP occurs on a local basis and is limited to providers that are easily accessible.
- 5.15 Reflecting this, location was the most common factor that pet owners reported considering in our pet owners survey when choosing a FOP (68% of respondents) and was the most commonly listed *main* reason for respondents that listed multiple reasons (34% of such respondents).¹⁰⁷ Respondents at LVG practices were significantly more likely to list location as a reason, or the main reason, for choosing their FOP.¹⁰⁸ Otherwise, responses remained broadly similar across various pet owner characteristics, including those with different types of animals, those on different incomes and those living in rural vs urban locations.¹⁰⁹
- 5.16 Submissions received also indicate that location is the most important factor in pet owners' choice of FOP. For example, a number of market participants [redacted] submitted that competition occurred in local areas or that the competitive landscape they faced was largely influenced by geography.¹¹⁰ Some LVGs' [redacted] documents focus on location as a driver of consumer marketing,¹¹¹ and other consumer research we have reviewed consistently found location as the main driver of pet owner decision making, including our qualitative research with pet owners,¹¹² consumer research from Which? in 2023,¹¹³ and research conducted on behalf of LVGs [redacted].¹¹⁴

Recommendations

- 5.17 After location, respondents to our pet owners survey most commonly reported considering recommendations, for example from friends and family, when choosing a FOP. 44% of respondents listed this as something they considered and 23% listed it as their main reason. Respondents that attended independent practices were significantly more likely to report considering recommendations than those that attended LVG practices (51% of respondents at independent practices reported considering recommendations and 27% listed it as their main reason for choosing a FOP, compared to 40% and 20% of respondents at LVG practices). Otherwise, these responses remained broadly similar across different pet owner characteristics, including those with different types of

¹⁰⁷ Pet owners survey, Q13 and Q14. These questions were only asked of respondents who had been with their current FOP for less than 10 years.

¹⁰⁸ Pet owners survey, Q13 and Q14. Those that attended LVG practices were significantly more likely to list location as a reason (70% to 65%) or the main reason (36% to 30%) for choosing their FOP.

¹⁰⁹ Pet owners survey, Q13 and Q14. Out of these characteristics, the only significant difference reported was that respondents with only cats were significantly more likely than respondents with only dogs to list location as the main reason for choosing their FOP (39% to 30%).

¹¹⁰ For example, LVG responses to RF11 Q8 & Independent responses to RF11 Q5 [redacted]; [redacted]; [redacted]; [redacted]; [redacted].

¹¹¹ For example, an LVG [redacted] marketing doc focuses on [redacted]; [redacted].

¹¹² [Qualitative consumer research with pet owners](#), p. 4.

¹¹³ [Consumer harm in veterinary services - Which? Policy and insight](#), which found location to be the most important reason for choosing a practice (70% of respondents, with next highest factor 34%)

¹¹⁴ For example, LVG responses to RF13 Q23 & 28 [redacted]; [redacted]

animals, those on different incomes and those living in rural vs urban locations.¹¹⁵

- 5.18 Other evidence also indicates that pet owners rely on recommendations when choosing a FOP, including our qualitative research with pet owners, in which a large proportion of pet owners took recommendations into account.¹¹⁶ For example, IVC submitted that personal word-of-mouth recommendations were an important driver of customer choice of FOP,¹¹⁷ and an LVG's [X] 'best practice guide' [X].¹¹⁸
- 5.19 In our qualitative vet research, most veterinary surgeons reported that they did not do very much proactive marketing. Instead, a lot of veterinary professionals reported their practice relying on word of mouth to increase custom. This was the case across LVGs, small groups and independent practices.¹¹⁹
- 5.20 In our roundtable with vets who had recently set up practices, most attendees stated they did not invest much in paid marketing as they relied on social media and word of mouth, and that Google reviews were important in attracting clients to their businesses.¹²⁰ The marketing carried out by an attendee at our Edinburgh roundtable when they opened their business included leaflets, Facebook ads and local dog shows.¹²¹

Other factors

- 5.21 After location and recommendations, the factors that pet owners consider appear to vary widely depending on pet owner characteristics and the context in which they are choosing a FOP. Reasons listed in our pet owners survey are set out in Table 5.1 below.

¹¹⁵ Pet owners survey, Q13 and Q14. Out of these characteristics, the only significant difference reported was that respondents with only dogs were significantly more likely than respondents with only cats to list recommendations as the main reason for choosing their FOP (26% to 17%).

¹¹⁶ [Qualitative consumer research with pet owners](#), p. 4.

¹¹⁷ [IVC response to Issues Statement](#), 3.10.

¹¹⁸ LVG response to RFI3, Q26 [X]

¹¹⁹ Qualitative research with veterinary professionals, 95-96.

¹²⁰ [Summary of vets who recently set up a practice roundtable discussion](#), paragraph 9.

¹²¹ [Summary of Edinburgh roundtable discussions](#), paragraph 22.

Table 5.1: Reasons reported for choice of FOP

<i>Reason</i>	<i>Percentage of respondents that listed it as a reason</i>	<i>Percentage of respondents that listed it as the main reason</i>
Location	68%	34%
Recommendations (from friends, family, etc)	44%	23%
Impression of the practice, staff or website	29%	6%
Prices	25%, including 20% for vaccination and medicines prices and 15% for consultation prices	7%, including 5% for vaccinations and medicines prices and 2% for consultation prices
Appointment availability	28%	4%
Services offered	26%	4%
Opening hours	26%	3%
Parking and transport	25%	2%
Practice ownership	21%, including 14% that preferred independent and 7% that preferred LVG ownership	5%, including 4% that preferred independent and 1% that preferred LVG ownership
Online reviews	19%	4%
A special offer	4%	1%
Other	7%	6%

Source: *Pet owners survey, Q13¹²², Q14¹²³*

5.22 Compared to respondents who did not choose a FOP in an urgent situation, respondents that reported choosing a FOP for ‘urgent or emergency treatment’ were significantly more likely to report considering appointment availability as a reason (36% compared to 27%) or their main reason (13% compared to 4%) for choosing a FOP. On the other hand, they were significantly less likely than respondents who did not choose a FOP in an urgent situation to report considering other factors such as location, prices of vaccinations and medicines and recommendations.¹²⁴ Overall, those respondents who chose a FOP in an urgent situation reported considering fewer factors than others (listing an average of 3.3 factors in total, compared to 3.8 for those who did not choose a FOP in an urgent situation).¹²⁵

5.23 Other customer research, including our qualitative research with pet owners and research with market participants, was broadly consistent with the findings from our pet owners survey, indicating that, besides location and recommendations,

¹²² Pet owners survey, Q13 ‘Still thinking about your current vet practice, thinking back to when you registered with them, why did you? Please select all that you considered when making your decision’.

¹²³ Pet owners survey, Q14 asked of all those who gave multiple responses at Q13: ‘And what was the main reason?’.

¹²⁴ Pet owners survey, Q13 and Q14. Location: 57% to 70% considered it as a reason. Prices of vaccinations and medicines: 11% to 22% considered it as a reason. Recommendations: 36% to 47% considered it as a reason and 15% to 26% as their main reason.

¹²⁵ Pet owners survey, Q13 and Q14.

customers considered online reviews, accessibility and appointment availability. Some examples of relevant consumer research and other LVG internal documents include:

- (a) Our qualitative research with pet owners indicates that after location and recommendations, the ability to access appointments when needed was a key choice factor. Other considerations that were sometimes mentioned included: the provision of separate areas in the reception for dogs and cats to reduce pet anxiety; the out of hours service; and whether the practice specialised in pets apart from cats and dogs. Price was not a dominant consideration for pet owners, because most pet owners believed there was not a significant difference in the prices charged by different veterinary practices.¹²⁶
- (b) Consumer research from Which? in 2023 found that the most common factors considered were location (70% of respondents), staff (36%) and recommendations (34%).¹²⁷
- (c) Customer research from an LVG [redacted] in 2024 indicated that key factors included proximity, accessibility, recommendations and appointment availability.¹²⁸
- (d) An LVG [redacted] strategy document from August 2023 indicated that [redacted]¹²⁹
- (e) An LVG [redacted] survey of 2000 UK pet owners in 2024 reported [redacted]¹³⁰
- (f) An LVG [redacted] board report from October 2022 discussed consumer research indicating that pet owners value a range of factors when choosing a vet, including reputation and experience, specialism, staff who care, convenience and accessibility, other pet owners' experience and a welcoming environment.¹³¹
- (g) An LVG [redacted] 'best practice guide' from 2023 encouraged FOPs to [redacted].¹³²

5.24 Submissions and documents from market participants also indicated that, besides location and recommendations, pet owners consider factors such as cost, quality of clinical care, convenience (for example parking and appointment availability), communication and local reputation. For example:

¹²⁶ [Qualitative consumer research with pet owners](#), pp.4-5.

¹²⁷ [Which? consumer harm in veterinary services](#), 22/12/23.

¹²⁸ LVG response to RF13, Q23 [redacted]

¹²⁹ LVG response to RF13, Q15 [redacted]

¹³⁰ LVG response to RF13, Q25 [redacted]

¹³¹ LVG response to RF13, Q22 [redacted]

¹³² LVG response to RF13, Q26 [redacted]

- (a) An LVG [X] submitted that from a client perspective, the key differentiating factors between practices were the standard of veterinary medicine, communications with the vet and practice team, the state of the facilities, level of client care, convenience (for example parking and appointment availability) and value for money.¹³³
- (b) Another LVG [X] submitted that, in addition to [X], customers selected a local clinic based on a number of factors, and that [X].¹³⁴
- (c) An LVG [X] submitted that its veterinary practices competed on factors including the range of services offered, the quality of clinical care, prices, opening hours, availability of appointments and client experience.¹³⁵
- (d) Another LVG [X] submitted that practices competed locally based on price and aimed to offer a competitive and superior value proposition and consumer experience.¹³⁶
- (e) Customer research from an LVG [X] in 2022 found that customers considered price, location and recommendations as key considerations when choosing a FOP, followed by ‘internal appearance and facilities’ and online reviews.¹³⁷
- (f) Independent practices [X] submitted that they compete on factors including cost,¹³⁸ opening hours¹³⁹ and service offering, including OOH provision.¹⁴⁰

Practice ownership

5.25 We have observed a variety of views on the importance of practice ownership (that is, whether it is an independent or LVG practice). As noted above, 21% of respondents to our pet owners survey reported considering practice ownership when choosing a FOP. Of these respondents, 68% preferred independent practices, with the remaining 32% preferring LVG practices.¹⁴¹ For those that preferred independent practices, the top reasons given were individual vet continuity (56%), individually tailored service (50%), overall quality of service (46%) and trust in their vets’ advice (40%).¹⁴² By comparison, for those that

¹³³ LVG response to RF11, Q8 [X]

¹³⁴ LVG response to RF11, Q8 [X]

¹³⁵ LVG response to RF11, Q8 [X]

¹³⁶ LVG response to RF11, Q8 [X].

¹³⁷ LVG response to RF11 Q52 [X]

¹³⁸ Independent response to RF11, Q5 [X]; [X]

¹³⁹ Independent response to RF11, Q5 [X]

¹⁴⁰ Independent response to RF11, Q5 [X]; [X]

¹⁴¹ Pet owners survey, Q13.

¹⁴² Pet owners survey, Q22. More than one answer could be given, so percentages sum to more than 100%.

preferred LVG practices, the top reasons given were appointment availability (55%), the range of services available (42%) and prices (21%).¹⁴³

- 5.26 The relevance of practice ownership was also noted in our qualitative research with veterinary professionals, with some vets at independent practices saying that their independent status was a key selling point for pet owners.¹⁴⁴ Similarly, at our roundtable with those who had recently set up practices, some attendees felt their reputation as independents helped them attract clients.¹⁴⁵
- 5.27 On the other hand, some LVGs [X] submitted that pet owner choices were not driven by practice ownership considerations.¹⁴⁶ One LVG [X] referenced consumer research that suggested pet owners prioritise factors other than practice ownership when choosing a vet.¹⁴⁷ Of the six LVGs, Medivet and Pets at Home use centralised branding that makes it clear their practices are part of a large group, as we discuss below. However, we note that internal documents indicate that at least some LVGs make decisions about marketing and branding that reflect and target customer preferences for independent practices. For example:
- (a) A 2023 LVG [X] document outlining potential branding approaches discusses the pros and cons of maintaining 'local branding' (keeping the previous name from when the practice was independently owned) versus using the LVG [X] brand. The pros of local branding discussed include that the brand is 'part of the local community', has been 'established for a long time', is 'well-known and trusted', 'retains word of mouth and advocacy of local brand', and keeps 'continuity from a customer perspective post-acquisition'. The document recommends that the LVG [X] retain local branding as they believe there are significant risks in upsetting loyal clients and employees.¹⁴⁸ We understand that this is the branding approach the LVG [X] continues to take, as discussed below at paragraph 5.48.
 - (b) An LVG [X] board report from October 2022 reports on consumer research indicating that customers place value on independents over 'chains', which customers describe as impersonal and untrustworthy. When testing various brand propositions, the document finds that most respondents believe the LVG [X] is a collection of vets, rather than a chain.¹⁴⁹

¹⁴³ Pet owners survey, Q23. More than one answer could be given, so percentages sum to more than 100%.

¹⁴⁴ Qualitative research with veterinary professionals, pp. 96-97.

¹⁴⁵ [Summary of vets who recently set up a practice roundtable discussion](#), paragraph 10

¹⁴⁶ For example, LVG response to RF11, Q8 [X]

¹⁴⁷ LVG response to RF11, Q52 [X]

¹⁴⁸ LVG response to RF13, Q15 [X]

¹⁴⁹ LVG response to RF13, Q26 [X]

Information available to pet owners when choosing a FOP

- 5.28 Below, we assess the information that is available to consumers when choosing a FOP. Overall, the evidence received to date indicates that although there is some publicly available information in relation to basic services offered, in general there is not enough information available to enable pet owners to choose a FOP based on illustrations of possible costs that may be incurred, and very little information about practice ownership for four of the six LVGs.
- 5.29 When searching for a FOP in their local area, besides searching on public websites such as Google Maps, pet owners can access a list of vets using the 'Find a vet' function on the RCVS's [website](#). Because individual veterinary practitioners are each required to be registered with the RCVS (as discussed in our working paper on the **Regulatory framework**), this list includes all active individual vets. However, because entry onto the RCVS list is voluntary for practices and groups of practices, it may not contain an accurate list of all FOPs. In any case, it is not clear that pet owners are aware of this RCVS list – just 1% of respondents said that they used it to find out information on the services offered by their current vet practice when choosing a FOP,¹⁵⁰ and 33% of respondents to our pet owners survey said that they were familiar with the RCVS at all.¹⁵¹
- 5.30 In the remainder of this section, we consider information availability in relation to (i) pricing, (ii) service quality, and (iii) ownership.

It appears difficult for pet owners to estimate and compare prices based on available pricing information

- 5.31 Overall, the evidence received to date indicates that there is a wide range in the amount of pricing information that is made available to pet owners, largely depending on the policy of individual practices. Online price lists are provided by some practices – these typically include some standard services (such as vaccinations, basic consults and neutering) and not more complex treatments. There is significant variety between the types and extent of pricing information that is made available, irrespective of practice ownership.
- 5.32 Our research of approximately half of all vet practice websites, including both LVGs and independently owned vets, indicated that 84% did not advertise any pricing information.¹⁵² Since we conducted this research, the British Veterinary Association (**BVA**) has issued guidance to veterinary professionals to issue price lists for frequently offered services, including standard consultations,

¹⁵⁰ Pet owners survey, Q21.

¹⁵¹ Pet owners survey, Q122.

¹⁵² [Final report of the consultation](#), p.30. We conducted this research in February-March 2024.

vaccinations, neutering, prescription fees, insurance administration fees, microchipping and out-of-hours charges.¹⁵³

Evidence from market participants

5.33 LVGs submitted that the pricing information their FOPs provide, both online and in person, varies significantly between locations based on individual practice policies. LVGs submitted that many (but not all) of their practices publish some prices online, and that of those practices that have online prices, most include only a limited selection of services. In particular:

- (a) All LVGs submitted that decisions to display prices were made locally or at the individual practice level.¹⁵⁴
- (b) An LVG [redacted] submitted that there was a broad variety in the ways in which its individual practices displayed prices: some had online prices (and most show the price of pet care plans on their websites), while others displayed vaccination and consultation prices in waiting rooms.¹⁵⁵
- (c) Another LVG [redacted] provided a sample of pricing information products that are provided to clients at certain practices. These typically include a selection of services for different species of pets, and any fixed prices for referral services.¹⁵⁶
- (d) An LVG [redacted] submitted that it has a very large number of items on its price list (over 18,000), so would not consider it helpful to attempt to display all of these to its customers.¹⁵⁷ Another LVG [redacted] also submitted that it has a large number of items on its price list (740), the majority of which contain technical medical descriptions that are unique to the LVG [redacted], which it submitted would not be practicable to display.¹⁵⁸
- (e) An LVG [redacted] noted that it was common practice for FOPs to display prices for routine procedures in the waiting room (such as for consultations, vaccinations and neutering),¹⁵⁹ and that it encourages its practices to do so through centralised guidance.¹⁶⁰

5.34 Our review of LVG internal docs found evidence broadly consistent with these submissions. Some documents showed evidence of LVG [redacted] policies to

¹⁵³ [New BVA guidance helps profession address CMA concerns on transparency and client choice | British Veterinary Association](#)

¹⁵⁴ All LVG responses to RF11 Q12 [redacted]; [redacted]; [redacted]; [redacted]; [redacted]; [redacted]

¹⁵⁵ LVG response to RF11, Q12 [redacted]

¹⁵⁶ LVG response to RF11, Q12 [redacted]

¹⁵⁷ LVG response to RF11, Q12 [redacted]

¹⁵⁸ LVG response to RF11, Q12 [redacted]

¹⁵⁹ LVG response to RF11, Q12 [redacted]

¹⁶⁰ LVG response to RF11, Q12 [redacted]

present prices clearly when they were being provided to pet owners in the consulting room, or for specific treatment plans.¹⁶¹

- 5.35 Submissions from independent vet practices indicated that their display and advertising of pricing information also varies significantly. Some submitted that they included pricing information on their websites or in clinics, or both; others submitted that they did not proactively publish any price lists. The amount and detail of published prices varied significantly between respondents, with some stating that they would include only basic treatments and others publishing much more detailed price lists, including for surgeries and other complex treatments.¹⁶²

Evidence from consumers

- 5.36 Evidence from our pet owners survey indicates that many pet owners do not seek out pricing information before choosing a FOP. However, pet owners that considered pricing as a relevant factor reported being able to seek out and obtain at least some pricing information, including for vaccinations and routine consultations, though some of the ways to obtain this information could require some effort (such as visiting the practice). In particular:
- (a) Around 40% of respondents reported finding out pricing information before registering with their FOP.¹⁶³ The proportion of respondents that reported finding out pricing information before registering was higher for those respondents that said they compared different FOPs (50%), and lower for those respondents that said they did *not* compare FOPs (31%).¹⁶⁴
 - (b) Of those that did report obtaining prices, the most common methods of receiving this information were online (29%), by phone (29%), in-person (19%) and via word of mouth (18%).¹⁶⁵ Respondents reported finding out about certain types of prices more commonly than others: in order, the most commonly accessed prices were vaccinations (72%) routine consultations (63%), flea and/or worming medicines (49%), neutering (38%), emergency consultations (21%) and prescriptions (21%).¹⁶⁶

¹⁶¹ LVG responses to RFI3, Q24, 25 & 26 [×]; [×]; [×]

¹⁶² In response to our request for information to small and medium independent vet practices, out of 15 valid responses, 5 submitted that they publish prices online and in clinics, 4 submitted that they only publish prices online, 3 submitted that they only have prices in clinics, and 3 submitted that they do not proactively publish any price lists.

¹⁶³ Pet owners survey, combination of Q17 (where those that said they considered prices as a factor when choosing a FOP were asked how they found pricing information before registering) and Q15 (where those that did not say they considered prices as a factor when choosing a FOP reported whether they nevertheless found pricing information before registering). 54% reported that they did not find out prices, and 6% could not recall.

¹⁶⁴ Pet owners survey, combination of Q15 and Q17, as described above.

¹⁶⁵ Pet owners survey, Q16 and Q17.

¹⁶⁶ Pet owners survey, Q18.

- (c) Specifically in relation to medicines pricing, while 49% of respondents that obtained prices stated that they found out about flea and worm medicines when choosing a FOP, only 4% of respondents said that they found out about other medicines. This response was consistent for respondents who had been prescribed medicines in the past two years.¹⁶⁷
- (d) 73% of respondents to our survey who considered pricing before choosing a FOP also compared these prices with other FOPs, while 19% did not.¹⁶⁸ Of the respondents that reported *not* comparing prices the majority said that this was because they did not feel they needed to, while a minority mentioned difficulty finding information as a barrier to comparison.¹⁶⁹ Of the respondents that reported comparing prices, 44% reported finding it fairly or very easy to find comparable pricing information for different practices, while 32% reported finding it fairly or very difficult.¹⁷⁰

Potential effects of pricing information availability

- 5.37 The variety in the amount of pricing information that is available and lack of standardisation in service options appears to have two main consequences. First, it may make it difficult for pet owners to compare prices between FOPs in relation to specific costs and treatments, including for specific kinds of animals. Second, it may make it very difficult for pet owners to estimate and compare expected future costs over a pet's lifetime. We note that there are no tools available to help pet owners make price comparisons across the extensive range of medicines and services offered by FOPs.
- 5.38 In addition, the lack of standardisation of price lists and overall services could, in theory, give FOPs the opportunity to attract pet owners based on cheap initial services (in comparison to other FOPs), before increasing prices (far above other FOPs) of more complex and less easily comparable services. However, to date we have not seen significant evidence about whether this approach is commonly used, or particularly effective in attracting customers. Evidence and submissions include the following:
 - (a) One independent practice [§<] submitted that it was common practice for a few items to be headline loss leaders (such as vaccination or neutering)¹⁷¹ – we also heard this in our roundtable with vets who recently set up a practice.¹⁷² However, we note that we have also been told that some

¹⁶⁷ Pet owners survey, Q18.

¹⁶⁸ Pet owners survey, Q19. 19% said they did not compare and 8% saying they could not recall.

¹⁶⁹ Pet owners survey. Indicative finding (small base size; n = 80). Q19b, I didn't feel I needed to 51/80; I wanted to but found it difficult to find information 12/80.

¹⁷⁰ Pet owners survey, Q20. 10% found it very easy, 35% found it fairly easy, 27% found it fairly difficult, and 5% found it very difficult.

¹⁷¹ Independent response to RFI1, Q5 [§<]

¹⁷² [Summary of vets who recently set up a practice roundtable discussion](#), paragraph 8

FOPs that provide a limited range of services do offer particularly cheap basic services (including neutering services),¹⁷³ which cannot be loss leading because those FOPs do not offer a wider range of services.

- (b) A 2022 LVG [3<] document discussing consumer research notes that price is important when choosing a vet practice, in contrast to its lack of importance when a client is *using* a veterinary practice. The document notes that this finding ‘supports the heavy discounting applied to new client procedures (e.g. neutering, vaccinations etc.)’.¹⁷⁴

5.39 As set out in our working paper on [Approach to profitability and financial analysis](#), we are conducting analysis to assess whether the levels of profitability achieved by firms in the market are consistent with a competitive market or could be considered to be excessive.¹⁷⁵ We intend to publish a working paper setting out the results of this analysis in Spring 2025.

Information about service range and quality is available, but appears difficult for pet owners to compare

5.40 FOPs typically provide a range of information online and in-person regarding the services they offer, the level of clinical quality they are able to provide given their experience and skill, and information about other quality metrics such as staff, facilities and amenities. However, many of these qualitative features lack any form of standardised metrics.

Evidence from market participants

5.41 In their submissions and internal documents, several market participants have recognised the difficulty consumers are liable to have comparing the range and quality of services. For example:

- (a) Some LVGs submitted that standardised quality outcomes are not easily discernible for pet owners. One LVG [3<] stated that while the standard of veterinary medicine is a key differentiating factor between practices, it is not always easy for consumers to assess this.¹⁷⁶ Pets at Home provided submissions on the difficulty of defining clear quality metrics that pet owners can compare.¹⁷⁷
- (b) In responses to the CMA’s issues statement, Which? submitted that it would be challenging to make objective assessments on the quality of

¹⁷³ [RCVS, Review of 'under care' and 24/7 emergency cover, consultation report, 20 January 2023](#), p. 45. Our working paper on the Regulatory framework covers submissions on LSPs in detail.

¹⁷⁴ LVG response to RF13, Q22 [3<]

¹⁷⁵ [Approach to profitability and financial analysis working paper](#), p.4.

¹⁷⁶ LVG response to RF11, Q8 [3<]

¹⁷⁷ [Pets at Home Issues Statement response](#), paragraph 51.

veterinary care.¹⁷⁸ The BVA submitted that quality and outcome related measures are rarely available from clinical practice, and that variability in case complexity, treatment protocols and patients makes it challenging to standardise quality measures.¹⁷⁹

- (c) RCVS Knowledge, which aims to measure and improve the quality of veterinary care and is the charity partner of the RCVS,¹⁸⁰ submitted that while measuring quality in veterinary care is not impossible, and many large practice groups carry out measurements of patient outcomes internally, this data is not routinely made available to consumers to help them assess value or to choose between practices, treatment options and veterinary professionals.¹⁸¹ RCVS Knowledge submitted that without this data sharing, the large-scale population studies that allow clinical outcomes in human medicine to be evaluated are extremely rare in veterinary medicine.¹⁸²
- (d) One independent practice [redacted] submitted that customers are rarely able to choose a practice based on level of service which often results in a race to the bottom and results in higher standard practices being accused of excessive charging.¹⁸³

5.42 In our review of LVG internal documents, we have not identified any evidence of policies which are specifically designed to provide standardised quality information that would enable pet owners to compare quality metrics against alternative options. We have also not seen any evidence indicating that independent practices have any such policies. An LVG's [redacted] internal content guide stated that 'people are not using our websites for educational purposes' and do not want to read clinical or surgical content. It recommends that websites cut down on content and move towards 'navigational not educational' material.¹⁸⁴

5.43 All LVGs submitted that they reported internally on a variety of quality metrics. The nature and details of these metrics differ significantly, but broadly seek to measure factors such as clinical quality/outcomes, antibiotic usage, morbidity and euthanasia rates, staff metrics (including turnover, vet/pet ratios and nurse/vet ratios), safety, and client satisfaction.¹⁸⁵ [redacted].¹⁸⁶

¹⁷⁸ Which? Issues Statement response, p.2.

¹⁷⁹ BVA Issues Statement response, p.4.

¹⁸⁰ [Annual report and accounts 2023 - RCVS Knowledge](#), p.4.

¹⁸¹ RCVS Knowledge Issues Statement response, paragraphs 7 and 11.

¹⁸² RCVS Knowledge Issues Statement response, paragraph 13.

¹⁸³ Independent response to RFI1, Q5 [redacted]

¹⁸⁴ LVG response to RFI3, Q22 [redacted]

¹⁸⁵ LVG responses to RFI11 [redacted]; [redacted]; [redacted]; [redacted]; [redacted]; [redacted] Our review of these responses indicates that one LVG [redacted] collects and reports on less detailed metrics than the other LVGs.

¹⁸⁶ LVG response to RFI11, Q11 [redacted]

Evidence from consumers

- 5.44 26% of respondents to our pet owners survey reported considering 'services offered' as a reason for choosing their FOP.¹⁸⁷ Of these respondents, most found details about these services on the practice website (54%).¹⁸⁸
- 5.45 19% of respondents reported considering online reviews, and 44% reported considering recommendations, both of which are likely to provide a consumer-based assessment of quality.¹⁸⁹ We consider such consumer-based quality assessments may provide some helpful information, in particular about factors that pet owners can readily assess, such as ease of access, staff friendliness, appointment availability, opening hours and facilities. However, we currently consider that consumer-based quality assessments are unlikely to be representative of actual quality standards for a range of veterinary services, and in particular for more complex treatments and diagnostics of health concerns, given the information asymmetry that exists between veterinary professionals and pet owners.

Potential effects of service quality and range information availability

- 5.46 Overall, while a range of information is typically provided regarding service range and quality, we consider the lack of any standardised metrics may make it very difficult for pet owners to compare FOPs against one another or against general benchmarks.

Pet owners appear to be unaware of practice ownership in four of the six LVGs

- 5.47 The evidence we have seen indicates that pet owners are aware of very little information about practice ownership for four of the six LVGs.
- 5.48 Of the six LVGs, IVC, Linnaeus and VetPartners do not operate under uniform branding – rather, they retain the name and branding of the independently owned practice or small chain they have acquired. CVS had a similar policy until recently, when it started adopting uniform 'Vet Collection' branding across practices online.¹⁹⁰ It is unclear the extent to which CVS has adopted this uniform branding in physical practices, or whether it has proactively advised its existing customers of this online rebranding. Medivet and Pets at Home have operated under uniform branding for a significant period of time.

¹⁸⁷ Pet owners survey, Q13.

¹⁸⁸ Pet owners survey, Q21.

¹⁸⁹ Pet owners survey, Q13.

¹⁹⁰ CVS Issues Statement response, paragraph 4.2.

- 5.49 In our qualitative research with vets and vet nurses, most veterinary professionals working at certain LVGs reported that their practice name reflected their corporate ownership. This was not the case for other LVGs, where participants noted that branding was not consistently reflective of practice ownership. A few veterinary professionals reported that clients did not always notice, at least initially, when practices changed ownership. A few vets mentioned not correcting clients about the ownership status of their practice because they did not feel it was a priority. A few veterinary surgeons said that after a change in ownership they were discouraged from mentioning the changes, or were encouraged to make it look as though everything had stayed the same.¹⁹¹
- 5.50 Evidence indicates that a majority of customers of IVC, Linnaeus, VetPartners and CVS practices are not aware of the ownership of their current FOP, and that in general pet owners are not aware of the ownership of competing options available to them. This lack of awareness could give customers the illusion of choice and competition. For example, when choosing a vet, a consumer may think they have compared different options in their local area and believe that they have assessed prices from different FOPs, without realising that they might all be owned by the same company.
- 5.51 Approximately a quarter (24%) of respondents to our pet owners survey reported that they did not know whether their practice was part of a large group of practices (ie an LVG), part of a small group of practices or an independent. Less than half (47%) of respondents that we confirmed to be clients at LVG practices were aware that their practice was part of an LVG,¹⁹² with 23% reporting that they were unsure and around a third of these LVG clients reporting that their practice was either an independent (9%) or part of a small group of practices (21%). Reflecting the different branding models of the LVGs, most respondents at practices owned by Pets at Home (84%) and Medivet (73%) were aware that their practice was part of a large group, but only a minority of respondents at practices owned by Linnaeus (36%), CVS (33%), IVC (22%) and VetPartners (19%) were aware of this fact.¹⁹³
- 5.52 These results are consistent with the evidence from our qualitative pet owner research that indicates that most pet owners did not know, with any certainty, the ownership status of their veterinary practice.¹⁹⁴ They also align with consumer research from Which? in 2023, in which 57% of respondents at LVG

¹⁹¹ Qualitative research with veterinary professionals, pp.96-97.

¹⁹² Respondents were asked for the name and address of their practice. These details were used to match to existing lists of practices with corresponding ownership status. Where name/address details were mis-spelled or lacking information, internet searches enabled further matches. In the few cases where matches were not possible, these were labelled as 'uncodeable'. In the few cases where the practice was found to be out of scope, the full participant record was deleted from the dataset.

¹⁹³ Pet owners survey, Q34.

¹⁹⁴ [Qualitative consumer research with pet owners](#), p.5.

practices identified their vet as a chain, with higher awareness of ownership for Pets at Home and Medivet (90% and 78% respectively), than for the other four LVGs (34% to 54%).¹⁹⁵

- 5.53 In contrast, most respondents to our pet owners survey who were at independent practices were aware that it was not part of an LVG, with 74% of respondents stating that it was an independent vet or part of a small group of practices, 3% stating that it was part of a large group of practices and 24% being unsure.¹⁹⁶

Switching FOPs

- 5.54 After choosing a FOP, pet owners can choose whether to remain with this FOP or switch to an alternative (if they have alternative options).
- 5.55 We consider that where there are variations in the offerings of different FOPs, including on price, quality and range of services, some consumers are likely to benefit from switching. In particular, pet owners who are customers at FOPs that have experienced significantly higher price increases than others, and for whom price is a priority, might benefit from switching. [3<]
- 5.56 Below, we consider:
- (a) current switching rates;
 - (b) factors considered by pet owners when switching, including whether pet owners reported switching in response to price and other aspects of a practice's competitive offer;
 - (c) potential barriers to switching, including pet owner trust in vets and pet care plans;
 - (d) how switching rates compare to potential benchmarks; and
 - (e) our emerging view on how customer switching is likely to impact on competition between FOPs.

Current switching rates

- 5.57 In general, evidence from our pet owners survey indicates that switching rates are relatively low.

¹⁹⁵ [Consumer harm in veterinary services - Which? Policy and insight](#)

¹⁹⁶ Pet owners survey, Q34.

- 5.58 3% of respondents said that they switched practices in the past year for reasons relating to the competitive offerings of FOPs,¹⁹⁷ which we refer to as proactive switching. This excludes switching due to moving home or because their previous FOP had closed down. 6% of all respondents said that they had proactively switched practices in the past two years, rising to 13% in the past five years and 18% in the past ten years. 25% of respondents to our pet owners survey said that they had been with their current practice for more than ten years.¹⁹⁸
- 5.59 Reported switching rates in the past ten years were lower for newer pet owners, with 13% of respondents that had been a pet owner for less than 10 years reporting proactive switching since getting their pet.¹⁹⁹

Factors considered by pet owners when switching

- 5.60 Evidence from our pet owners survey, LVG internal documents and academic studies indicates a range of reasons for switching. Reasons listed generally related to location, quality of care, pricing and relationships with vets:
- (a) In order of frequency, respondents to our pet owners survey listed the following top five reasons for switching: 'I moved home' (36%); 'I was unhappy with the quality of care of my previous vet practice or individual vet' (25%); 'I was unhappy with the advice/recommendations of my previous vet practice or individual vet' (19%); 'I wanted cheaper prices' (13%); and 'I wanted to move to an independent vet practice' (8%).²⁰⁰
 - (b) An LVG [redacted] document notes that [redacted].²⁰¹
 - (c) An LVG [redacted] document reporting on customer research lists the following reasons for switching in order of importance: poor customer service, pricing, delay in getting appointment, lack of vet continuity, word of mouth, location, pet care plan, online reviews, appearance/facilities.²⁰²
- 5.61 However, of all respondents to our pet owners survey, only a small proportion reported switching in response to price and other aspects of a practice's competitive offer. Of all respondents to our survey, 8% reported switching in the

¹⁹⁷ Pet owners survey, Q12A and Q33. To isolate respondents that moved because of the competitive offerings of FOPs, we removed respondents that switched FOPs because they moved home, or because their previous FOP closed down.

¹⁹⁸ Pet owners survey, Q11. 41% of respondents reported joining their practice in the past ten years and not switching. 13% reported *reactively* switching practices in the past ten years. 3% reported joining their practice in the past ten years and could not recall whether they had switched from another practice.

¹⁹⁹ Pet owners survey, Q12A and Q33. 72% reported that they had not switched practices, 4% could not recall whether they had switched and 11% reported switching because they moved home or because their previous vet had closed down.

²⁰⁰ Pet owners survey, Q33.

²⁰¹ LVG response to RF13, Q15 [redacted]

²⁰² LVG response to RF11 [redacted]

past 10 years in response to the quality of care they received, 6% reported switching in the past 10 years in response to the quality of advice they received and 4% reported switching in the past 10 years in response to price. Even fewer, at around 1% of total survey respondents, reported switching FOPs in the past 12 months for each of these reasons.²⁰³

- 5.62 Evidence from our pet owner survey on switching is consistent with third-party research prepared for an LVG [X], one of which (which was not limited to the UK) found that clients rarely change practice unless they relocate and noted that [X] of pet owners indicating that they changed practices due to price.²⁰⁴ Another report submitted by an investor in an LVG [X] concluded that [X].²⁰⁵
- 5.63 We have seen some evidence that pet owners who proactively switched FOPs were more likely to switch towards independent vet practices than LVG practices.
- (a) In response to our pet owners survey, a significantly higher proportion of pet owners at independent practices (40%) than LVG practices (27%) reported that they had switched to their current practice from another practice in the past 10 years.²⁰⁶ A significantly higher proportion of pet owners at independent practices (25%) than LVG practices (15%) reported proactive switching to their current practice in the past 10 years.²⁰⁷
- (b) In general, respondents that switched were more likely to say that they did so because they wanted to move to an independent practice (8%) compared to wanting to move to an LVG practice (1%).²⁰⁸

Potential barriers to switching

- 5.64 We are considering whether certain factors limit pet owners' ability and willingness to switch FOPs.
- 5.65 Evidence from our pet owners survey suggests that pet owners feel able to switch: 85% of respondents reported that they would be able to switch practices, and 64% thought it would be fairly easy or very easy to do so.²⁰⁹
- 5.66 However, evidence indicates that pet owners highly value the trust and relationship that comes from remaining with a particular FOP practice, or with a particular veterinary professional. As noted in **Section 4** above, pet owners

²⁰³ Pet owners survey, Q33.

²⁰⁴ LVG response to RF13, Q24 [X]

²⁰⁵ LVG Investor response to RF11, Q3 [X]

²⁰⁶ Pet owners survey, Q12A.

²⁰⁷ Pet owners survey, Q33.

²⁰⁸ Pet owners survey, Q33.

²⁰⁹ Pet owners survey, Q29 and Q30.

reported high trust in their regular vet, with most survey respondents (88%) agreeing that their vet focuses on the highest standard of care.²¹⁰

- (a) Of those respondents to the pet owners survey that said they would find switching difficult or impossible, the most commonly mentioned reason for this difficulty was that they would need to build a new relationship with different individuals (37%).²¹¹
- (b) Respondents to our issues statement submitted that pet owners value continuity of care for their animals and an ongoing relationship with their vet,²¹² and that clients who frequently switch risk fragmented care and fail to build a strong relationship with a practice they trust.²¹³

5.67 Other factors, including the take-up of pet care plans, may also contribute to a lack of ability and willingness to switch.

- (a) Respondents to the pet owners survey that said they would find switching difficult mentioned other reasons for this difficulty, including that it would be difficult to switch medical records between vet practices (29%); that there were no alternative vet practices in their area (22%), or that their pet care plan required them to remain with their current vet practice (16%).²¹⁴
- (b) Evidence from internal documents demonstrates that [redacted],²¹⁵ and improving customer loyalty within individual LVGs.²¹⁶ A 2021 report from an LVG [redacted] identifies a [redacted] increase in retention among pet care plan owners.²¹⁷

Potential switching rate benchmarks

5.68 We have considered how the rate of switching FOPs compares to potential benchmarks, although we note that different circumstances in other sectors may lead to different consumer switching rates. Compared to pet owners looking to switch FOPs, customers of other household services may face different switching barriers and may obtain more or less value from remaining loyal to their existing provider or from switching providers. In particular, customers of commodity services such as insurance, energy and mobile are unlikely to receive the benefits that pet owners might receive by remaining loyal and improving their relationship and trust with their existing provider, and price is often the chief comparator in such commodity services. It is therefore possible

²¹⁰ Pet owners survey, Q36r1.

²¹¹ Pet owners survey. Q31.

²¹² RCVS Issues Statement response, p. 7.

²¹³ BVA Issues Statement response, p.8.

²¹⁴ Pet owners survey, Q31.

²¹⁵ LVG Investor response to RF11, Q3 [redacted]

²¹⁶ See, for example: LVG response to RF13 Q7,15 [redacted]; [redacted]

²¹⁷ LVG response to RF13, Q7, 15 [redacted]

that switching rates between FOPs would be lower than benchmarks in these services, even in a well-functioning market.

5.69 While noting these limitations, we observe that:

- (a) Switching rates appear similar to the 3% of customers that reported switching in the past 12 months in our 2016 market investigation of the retail banking industry. In that market investigation, we found that this switching rate was low compared to other household expenses, including from mobile network providers, internet providers, energy providers and car insurance providers.²¹⁸
- (b) Switching rates appear significantly lower than those reported for a range of household expenses in response to surveys conducted by the Department for Energy Security and Net Zero (formerly the Department for Business, Energy and Industrial Strategy) in 2021 and 2022. In these surveys, annual switching rates were significantly higher than 3% for all other types of household expenses, including car insurance (36% and 33% in 2021 and 2022 respectively), home insurance (26% and 25%), broadband (19% and 22%), mobile (18% and 20%), energy (33% and 17%), mortgage (11% and 13%), credit card (8% and 10%), pay TV (8% and 8%) and current accounts (5% and 6%).²¹⁹
- (c) Switching rates appear significantly lower than those reported in response to a survey by Ofcom in 2021, which found switching rates for mobile, broadband and landline telecommunication services were 16%, 9% and 8% respectively.²²⁰

Our emerging view on switching FOPs

5.70 Overall, we consider that some pet owners may be likely to experience benefits from staying with their existing FOP, given that many pet owners value continuity of care and an ongoing relationship with their FOP and individual vet. However, we also consider that many pet owners would be likely to experience financial benefits from switching FOPs in circumstances where [X].

5.71 In our working paper on **Business models, provision of veterinary advice and consumer choice**, [X], our emerging view is that switching rates may be lower than we might otherwise expect in a well-functioning market. We would

²¹⁸ [GfK PCA banking survey report](#), p.44. This survey asked about switching rates in the past three years and found that they ranged from 23% for mobile phone providers to 45% for car insurance providers. We consider that these figures are not comparable with our pet owners survey for a number of reasons, including that we did not obtain switching rates over a three-year time period.

²¹⁹ [DESNZ PAT Spring 2023 Consumer Issues](#), p.19.

²²⁰ [Customer switching in mobile and broadband - Which? Policy and insight](#), graph titled 'Higher rates of having switched in the last 12 months for mobile networks than broadband services'.

welcome further evidence on differences in quality between practices to inform our assessment of switching rates, [X].

Choice of pet care plans

Our emerging view on how pet owners choose pet care plans

Pet care plans are offered by all LVGs and many independents. They are used by a significant minority of customers: 37% of pet owners responding to our survey said that they subscribe to a pet care plan, including 42% of pet owners at LVGs and 29% of pet owners at independents. Between 28% to 50% of all LVG customers have pet plans, depending on the LVG.²²¹

Our emerging view is that while pet care plans can reduce annual spend for many pet owners, they may not offer value for money for some pet owners that would otherwise not use many of the routine services included in plans.

Evidence from LVGs indicates that vet businesses may be motivated to increase pet care plan uptake, for example to drive higher spend by encouraging the purchase of other treatments or products, and they do so through marketing, staff incentives and providing information to pet owners. Information provision about coverage and options may differ so it may not be easy for consumers to compare the value and benefits of different pet care plans.

5.72 In this section, we consider:

- (a) current demand and motivations for choosing pet care plans in the UK, and
- (b) whether and how vet practices encourage take up of pet care plans.

5.73 In other sections of this working paper, we discuss the impact that pet care plans have on switching FOPs (from paragraph 5.67) and on choice of routine treatment (from paragraph 5.108).

Current demand for using pet care plans

5.74 The offerings of pet care plans vary but typically include routine treatments such as annual booster vaccinations and flea and worm preventative treatment. They may also include discounts for other treatments and services as needed.

5.75 Both pet care plans and insurance policies cover (partially or in full) the costs of certain veterinary care for pet owners with coverage. Where pet care plans

²²¹ Pet owners survey, Q108.

typically cover routine and preventative services, insurance policies typically cover non-routine and non-preventative care. We discuss pet owners' choice of insurance in the next section.

5.76 All LVGs²²² and many independent practices offer pet care plans. Table 5.2 below shows the proportion of clients covered by pet care plans for each of the six LVGs.

Table 5.2: Proportion of customers with pet care plans at each LVG

LVG	Customer base covered by pet care plan
[<]	[<] ²²³
[<]	[<] ²²⁴
[<]	[<] ²²⁵
[<]	[<] ²²⁶
[<]	[<] ²²⁷
[<]	[<] ²²⁸

5.77 In our pet owners survey:

- (a) 37% of pet owners said that they subscribe to a pet care plan. This includes 42% of LVG customers surveyed, a significantly higher proportion than the 29% of independent customers surveyed,²²⁹ which may indicate a greater drive within LVGs to encourage take up of plans or reflect that not all independents offer such plans.
- (b) 29% of pet owners we surveyed have both a pet care plan and a pet insurance policy, while 26% have had neither within the past three years.²³⁰
- (c) 7% of respondents to our pet owners survey had cancelled a pet care plan in the past three years.²³¹ Of those who cancelled a plan, the most common reason for cancelling (34%) was 'It wasn't value for money'. 23% said they couldn't afford it, 21% cancelled because they no longer had a pet, and 17% said they cancelled because they did not use the plan.²³²

²²² Note that 9% of [<] practices do not offer a pet care plan and the remaining 91% of practices offer pet health plans. Of [<] practices, 61% offer a national pet care plan (which breaks down as 36% on varying price points and 25% on uniform pricing), and 30% of [<] practices offer bespoke pet care plans with varying price points. [<]. A variety of plans are offered across Linnaeus owned practices, with some practices retaining pre-acquisition pet care plans. Currently [<] of Linnaeus practices only sell the group plan 'Pet Health for Life (PH4L)'. Linnaeus response to RF111 [<]

²²³ LVG response to RF13, Q24 [<]

²²⁴ LVG response to RF13, Q24 [<]

²²⁵ LVG response to RF11, Q24 [<]

²²⁶ LVG response to RF11, Q24 [<]

²²⁷ LVG response to RF11, Q24 [<]

²²⁸ LVG response to RF11, Q24 [<]

²²⁹ Pet owners survey, Q108.

²³⁰ Pet owners survey, Q112 x Q108.

²³¹ Pet owners survey, Q108.

²³² Pet owners survey, Q111.

5.78 Among the LVGs, pet care plans typically cost between around £8 and £30 per month, with some plans also requiring a joining fee. The average cost of a plan depends on the species, with plans for dogs typically being slightly more expensive than plans for cats or rabbits. Some LVGs (Pets at Home, CVS and IVC) appear to have standard pricing for their pet care plans that applies across the UK, while others (Medivet, Linnaeus and VetPartners) appear to have pricing that can differ depending on branding and location.²³³

Motivations for using pet care plans

5.79 In response to our survey, pet owners listed a range of reasons for taking up pet plans, including the ability to keep up with preventative care for their pet (53%), value for money (50%), the feeling of reassurance it could provide (46%), help with financial planning (43%), and a recommendation from the vet practice (40%).²³⁴ An LVG's [redacted] internal research identified that [redacted].²³⁵

5.80 While pet care plans can reduce annual spend for many pet owners, they will typically only offer value for money for pet owners that would otherwise use a significant proportion of the services offered at the frequency covered by the plan. We have seen some evidence that pet care plans can result in pet owners paying for subscriptions without making use of the plan's offerings. For example, evidence from a 2022 LVG [redacted] marketing strategy document shows that [redacted] [20-30%] of vaccines and [redacted] [30-40%] of flea and worming treatments went unused by clients covered by their pet care plan.²³⁶

Vets and practices encourage take up of pet care plans, but information provided is not always comparable

5.81 Evidence indicates that vet practices are motivated to increase pet care plan uptake and do so through marketing, staff incentives and providing information to pet owners. However, information provision about coverage and options may differ and thus not be easy for consumers to compare.

5.82 Internal documents from some LVGs highlight a drive to increase pet care plan adoption among clients, and in some cases specific staff targets are identified. We consider motivations for this drive from paragraph 5.113 and find that some LVG internal documents present pet care plans as a growth opportunity by driving higher spend among plan owners.

²³³ LVG pet plan prices are available at: CVS – [The Healthy Pet Club | The Vet Collection](#); IVC – [Pet Health Club | Pet Health Care for Dogs, Cats & Rabbits](#); Pets at Home – [Pet Health Plans | Vets for Pets](#). We are not aware of standard price lists for Medivet, Linnaeus and VetPartners pet care plans, although pricing is provided for specific practices on Medivet's website at: [Medivet Healthcare Plan For Pets | Medivet UK](#).

²³⁴ Pet owners survey, Q109

²³⁵ LVG response to RF13, Q22 [redacted]

²³⁶ LVG response to RF13, Q16 [redacted]

- (a) An LVG [redacted] indicated it has a [redacted].²³⁷
- (b) Another LVG [redacted] discussed a one-off non-contractual scheme that was in place for a limited period in 2023 to market its pet care plan where practices were rewarded with gift vouchers for increasing customer uptake.²³⁸
- (c) An LVG [redacted] document from 2022 outlines a target of the pet base on pet care plan subscriptions at [redacted].²³⁹ A further document outlines a proposal for a staff competition to increase the proportion of pets on plans above clinic targets.²⁴⁰ Staff incentives are also included in profitability calculations of their care plan.²⁴¹
- (d) Many of the LVG vet professionals and one vet of an independent small group practice we spoke to in our qualitative research told us they had been given targets to increase up take of pet care plans.²⁴²
- (e) Documents from LVGs [redacted] show [redacted].²⁴³

5.83 Pet care plans are marketed by practices and groups in both traditional and digital products, for example in leaflets or posters displayed at the practice, on the practice website, via social media and within apps.

- (a) In our pet owners survey, most pet owners (56%) said that they were made aware of pet care plans by direct mention from their practice, while others said they were made aware of pet care plans via physical advertisements such as posters and leaflets in the practice (30%) or on the practice website (26%).²⁴⁴
- (b) In our qualitative research, practice marketing in reception areas was mentioned as a main channel of informing clients of plans.²⁴⁵

5.84 Some veterinary professionals also told us that their own perceptions of the benefits of plans drove them to recommend them to their clients.²⁴⁶

5.85 Our review of pet care plan marketing documents submitted indicates that information on the relative benefits of plans and inclusions is mostly well presented, often displaying the price of plans for a range of small animals, and

²³⁷LVG response to RF11, Q25 [redacted]

²³⁸ LVG response to RF11, Q25 [redacted]

²³⁹ LVG response to RF13, Q16 [redacted]

²⁴⁰ LVG response to RF13, Q16 [redacted]

²⁴¹ LVG response to RF13, Q15 [redacted]

²⁴² Qualitative research with veterinary professionals, pp.99-100.

²⁴³ LVG responses to RF13, Q16, 17, 18 [redacted]; [redacted]; [redacted]

²⁴⁴ Pet owners survey, Q110.

²⁴⁵ Qualitative research with veterinary professionals, pp. 98-99.

²⁴⁶ CMA veterinary professional research.

the cost saving, if taking up all included services compared to the total cost when purchasing treatments individually.²⁴⁷ Other examples highlight the overall saving that can be made but do not outline the relative costs of individual included treatments.²⁴⁸

5.86 However, pet care plans offered by different vet businesses often cover different services at different frequencies, which may make it difficult for consumers to easily compare available options and understand value for money given their specific preferences and demand for veterinary services.

5.87 Such comparisons may be even more difficult when pricing is not communicated. In this regard, we have reviewed an LVG [redacted] document consisting of a presentation created by a supplier that outlines best practice for staff on communicating pet care plans via social media posts. One of four principles recommends these posts do not mention specific pricing of plans but should instead highlight the benefits of plans and where clients can go for more information.²⁴⁹

Choice of insurance

Our emerging view on how pet owners choose pet insurance

The majority of pet owners responding to our survey (56%) currently subscribe to some form of pet insurance, with many pet owners purchasing insurance to ease worries about unexpected costs.

Evidence indicates that affordability may be a key factor in take up of insurance for some pet owners, while feelings of financial security appear to drive other pet owners to avoid pet insurance. However, even insured pet owners often pay for a significant proportion of the costs to treat their pet due to the nature of insurance policies and the focus of coverage on non-routine treatments. For example, 53% of insured customers in response to our pet owners survey said that their insurance paid for none of their spend on vet services in the past two years, and a further 20% said that it paid for less than half of their expenses.²⁵⁰ Evidence indicates that vet practices are not a commonly used channel of information on insurance options.

5.88 In this section, we consider the current demand and motivations for taking up pet insurance in the UK.

²⁴⁷ For example, [redacted] poster template for itemised treatment or products included in the pet care plan and calculated savings; [redacted] showing the pay as you go costs for each treatment or product included in the pet care plan and overall savings.

²⁴⁸ For example, [redacted] pet care plan marketing posters indicate the overall saving on routine healthcare, with caveats of this calculation in small print. [redacted]

²⁴⁹ LVG response to RF13, Q34 [redacted]

²⁵⁰ Pet owners survey, Q133a x Q112.

5.89 While competition in the supply of pet insurance is outside the terms of reference for this market investigation, it provides relevant context, for example on the impact of having pet insurance on decisions made about pet treatment which is discussed below at **Choice of non-routine treatment**.

Current demand for using pet insurance

5.90 Evidence indicates that a significant proportion of pet owners currently have pet insurance.

- (a) According to the Association of British Insurers (**ABI**), 4.4 million pet owners took out pet insurance in 2023, which it estimated was 1.7 million more than in 2013.²⁵¹
- (b) In our pet owners survey, the majority of respondents (56%) said that they currently had pet insurance, with a further 9% saying they had subscribed to insurance in the past three years.²⁵²
- (c) [redacted]²⁵³
- (d) A 2018 third-party report submitted by an investor in an LVG [redacted] discusses [redacted].²⁵⁴
- (e) A document submitted by an investor [redacted] in an LVG [redacted] stated that the number of pets covered by insurance had increased by around 5% p.a. since 2007.²⁵⁵
- (f) [redacted].²⁵⁶

5.91 In our pet owners survey, insurance uptake differed depending on different consumer characteristics and attitudes:

- (a) Insurance uptake was significantly higher among owners of only dog/s (61%) than it was for owners of only cat/s (47%).²⁵⁷
- (b) There was a tendency for higher uptake of pet insurance among those newer to pet ownership, with insurance uptake significantly higher among those who had been a pet owner for up to ten years, compared to those who had been a pet owner for more than 30 years.²⁵⁸

²⁵¹ [Record numbers take out pet insurance for their four-legged fur-ends | ABI](#)

²⁵² Pet owners survey, Q112.

²⁵³ [redacted]

²⁵⁴ For example, LVG Investor response to RFI3 Q3 [redacted]

²⁵⁵ LVG Investor response to RFI3, Q1 [redacted]

²⁵⁶ LVG response to RFI3, Q22 [redacted]

²⁵⁷ Pet owners survey, Q112.

²⁵⁸ Pet owners survey, Q112.

- (c) Insurance uptake was also correlated with self-reported attitudes towards pets and their healthcare costs. There was significantly higher insurance uptake among those who viewed pet healthcare as equally or more important than human healthcare (59%), compared to those that thought it was somewhat or much less important (51%).²⁵⁹ Similarly, there was significantly higher insurance uptake among those who thought vet costs should 'always' or 'often' be prioritised over other important household expenses (58%), compared to those who thought they should 'sometimes' be prioritised (46%).²⁶⁰

5.92 The total pet insurance market has been estimated at £1.75 billion in 2023.²⁶¹ The ABI has estimated that the average annual premium for pet insurance was £389 in 2023, an increase of 4% from 2022.²⁶² Premium rates vary between species and breed.

Motivations for using pet insurance

5.93 Our survey of pet owners found that most pet owners with insurance (81%) were driven to take up a policy to ease worries about unexpected costs.²⁶³

5.94 Our evidence indicates that affordability is a key factor in take up of insurance, while feelings of financial security appear to drive other pet owners to avoid pet insurance. For example:

- (a) In our pet owners survey, uptake of insurance was highly correlated with self-reported household income. 44% of respondents that reported a household income of less than £32,000 reported currently having insurance, compared to 61% of respondents that reported a household income of £32,000 to £75,000, and 70% of respondents that reported a household income of over £75,000.²⁶⁴ The most referenced reason (40%) for not being insured amongst those without pet insurance was feeling it was not good value for money or too expensive.²⁶⁵
- (b) 21% of uninsured pet owners purposefully put aside money to ensure they could afford future treatments, and 29% of uninsured respondents felt confident that they could pay as and when treatments are needed.²⁶⁶
- (c) In roundtables with charities and customer representative groups, we heard about the various challenges faced by some consumers in relation

²⁵⁹ Pet owners survey, Q112.

²⁶⁰ Pet owners survey, Q112.

²⁶¹ Mintel, [Pet insurance 2024](#).

²⁶² Association of British Insurers. "[Record numbers take out pet insurance for their four-legged fur-ends](#)".

²⁶³ Pet owners survey, Q114.

²⁶⁴ Pet owners survey, Q112.

²⁶⁵ Pet owners survey, Q113.

²⁶⁶ Pet owners survey, Q113.

to pet insurance. These include customers being unable to insure animals with pre-existing conditions, coverage limits leaving some vulnerable to high bills, and high excesses being charged on many policies. There were concerns raised about the high premiums faced by many, and particular concern for those customers with assistance animals – for whom premiums can be higher, and availability of policy options are more limited.²⁶⁷

- (d) In our qualitative research, vet professionals also highlighted the unaffordability of insurance premiums for many pet owners.²⁶⁸

FOPs do not appear to be a key factor in a pet owner’s choice of whether to obtain insurance

- 5.95 In our pet owners survey, 11% of respondents reported that they were prompted to take up some form of pet insurance because it was recommended by their practice to do so.²⁶⁹
- 5.96 Of those with insurance, 8% said they found the plan they took out through their vet practice; 4% found it on a poster or leaflet at the practice; and 3% found it on their practice’s website. Half of respondents said they found their insurance plan from searching online, and 39% said they found it on a price comparison website.²⁷⁰
- 5.97 The evidence we have seen on customer appetite for insurance is mixed and it appears that pet owners rarely seek relevant information about it from their vet practice. For example:
- (a) An internal document from 2018 submitted by an investor in an LVG [redacted] suggests [redacted].²⁷¹
 - (b) Research quoted in an LVG [redacted] document highlights that pet owners have an appetite for addressing [redacted].²⁷²
 - (c) However, only 6% of uninsured pet owners who responded to our survey mentioned not knowing enough about pet insurance as a reason why they do not have it, and 8% said they had not considered it at all, suggesting

²⁶⁷ [Summary of consumer roundtable discussions](#), paragraph 15. [Summary of animal charity roundtable discussions](#), paragraph 7.

²⁶⁸ Qualitative research with veterinary professionals, p. 15.

²⁶⁹ Pet owners survey, Q114.

²⁷⁰ Pet owners survey, Q115.

²⁷¹ LVG Investor response to RF13, Q3 [redacted]

²⁷² LVG response to RF13, Q7,19,26 [redacted]

that a lack of knowledge about insurance is not a common barrier to uptake.²⁷³

Choice of routine treatments

Our emerging view on how pet owners choose routine treatments

Pet owners' decisions to use routine or preventative treatments appear to be driven by a range of factors, including pet welfare and financial considerations. We have seen evidence that indicates that the marketing and strategies of vet practices, including in relation to pet care plans, can influence and encourage pet owners to increase their spending on routine treatments.

We have seen some evidence that suggests that pet owners are more likely to engage with information on routine treatments, including information in relation to price and treatment options. We note that there may not always be a clear distinction between routine and non-routine treatments.

5.98 In this section, we consider:

- (a) the current demand and motivations for purchasing routine, preventative treatments, and
- (b) how decisions about routine treatment can be impacted by FOP marketing and strategy decisions, including in relation to pet care plans.

5.99 We assess choices regarding non-routine treatments in the following section. While we recognise that there may not always be a clear distinction between 'routine' and 'non-routine' treatments, we currently classify them as follows:

- (a) Standard or routine treatments include services such as regular check-ups (where no ill-health has been identified by the pet owner), preventative treatments such as vaccinations, neutering, flea and worming treatment, as well as other simple procedures such as microchipping and nail clipping.²⁷⁴ They are typically carried out within a FOP, without the requirement for specialist care.
- (b) 'Non-routine' treatments include treatments that address a specific illness or injury, diagnostics and more complex care. We discuss choices about these in our section on **Choice of non-routine treatments**. These may be carried out by a FOP or may require a referral to a specialist referral

²⁷³ Pet owners survey, Q113.

²⁷⁴ We defined the following treatments, procedures and services as routine in analysis of our pet owners survey data: regular/routine health check, vaccinations, microchipping, neutering, and animal healthcare certificates.

provider. We discuss how pet owners choose referral providers below in **Choice of referral provider.**

Current demand for routine treatments

5.100 Respondents to our pet owners survey reported how often they attended their FOP for regular check-up visits in the last two years, as set out in Table 5.3 below.

Table 5.3: Number of times pet owners attended regular check-up visits in the last two years

<i>Number of visits</i>	<i>Proportion of respondents</i>
No visits	12%
At least once	85%
At least twice	75%
At least three times	41%
At least four times	29%
At least six times	9%
At least ten times	3%
Don't know / can't remember	3%

Source: *Pet owners survey, Q56*²⁷⁵

5.101 In addition, respondents to our pet owners survey reported whether they received other routine treatments in the past two years, as set out in Table 5.4 below.

Table 5.4: Proportion of pet owners that received certain routine treatments in the last two years

<i>Routine treatment type</i>	<i>Proportion of respondents that received treatment in last two years</i>
Regular/routine health check	57%
Vaccinations	69%
Microchipping	15%
Neutering	20%
Dental work	11%
Animal healthcare certificate	3%

Source: *Pet owners survey, Q42*²⁷⁶

²⁷⁵ 'Roughly how many, if any, regular check-up visits have you made in total to the vets in the last two years?'

²⁷⁶ 'Earlier in this questionnaire, you said you visited vets about [X] times since [insert month for last 24 months], thinking about all these visits, what treatments and or services have you used?'

- 5.102 In terms of pricing, as set out in Table 3.3 above, routine consultations can range from around £25 to around £70 depending on the veterinary practice.²⁷⁷ The average value of items categorised as ‘consultations’ by an insurance provider [X] was £52 in 2024.²⁷⁸ Other preventative treatments vary widely in cost. The cheapest, such as flea and worming treatments, nail clipping and microchipping, can cost £20 or less per visit.²⁷⁹ Other preventative treatments are more expensive, including vaccinations (which can range from around £50 to around £200, depending on the vaccination and pet type),²⁸⁰ dental care (in which preventative cleaning can cost from around £300 for cats and from around £500 for dogs),²⁸¹ and neutering (which can cost from around £50 to around £700, depending on the service provided and the pet type, weight and sex).²⁸²
- 5.103 Our working paper on **Business models, provision of veterinary advice and consumer choice** sets out in more detail our current analysis of these pricing and treatment intensity outcomes. [X]

Motivations for purchasing routine treatments

- 5.104 Pet owner decisions to use routine or preventative treatments appear to be driven by a range of factors, including pet welfare and financial considerations. We have seen evidence that indicates that the marketing and strategies of vet practices, including in relation to pet care plans, can influence and encourage pet owners to increase their consumption of routine treatments.
- 5.105 In our pet owners survey, people who took their pets for regular check-ups considered several potential reasons for doing so:
- (a) it is the right thing to do for their pet (89%);²⁸³
 - (b) they get reminders from their vet practice to attend regularly (66%);²⁸⁴
 - (c) because of financial considerations (ie regular check-ups may pick up on potential issues earlier and save money on complex treatments) (51%);²⁸⁵

²⁷⁷ [How much is a vet visit in the UK? | ManyPets](#), which surveyed prices at 73 veterinary clinics in England, Scotland and Wales in 2023.

²⁷⁸ CMA analysis using an insurance provider [X] data.

²⁷⁹ For example: [Compulsory microchipping: what the law says in the UK for dogs and cats | ManyPets](#), and [What is the average cost of owning a pet? | MoneyHelper](#).

²⁸⁰ [A guide to dog and cat vaccinations costs in the UK | ManyPets](#), which surveyed prices at 72 veterinary clinics in England, Scotland and Wales in 2023.

²⁸¹ [How much is a vet visit in the UK? | ManyPets](#).

²⁸² [How much does it cost to neuter a dog in the UK? | ManyPets](#) and [How much does it cost to neuter a cat in the UK? | ManyPets](#), which surveyed prices at 73 veterinary clinics in England, Scotland and Wales in 2023.

²⁸³ Pet owners survey, Q57r6. 70% completely agree, 19% somewhat agree.

²⁸⁴ Pet owners survey, Q57r2. 43% completely agree, 24% somewhat agree.

²⁸⁵ Pet owners survey, Q57r5. 25% completely agree, 26% somewhat agree.

- (d) their pet care plan (44%)²⁸⁶ or insurance (19%)²⁸⁷ covers the full or partial cost of their regular check-up;
- (e) they have a strong ongoing relationship with their individual vet (34%);²⁸⁸ and
- (f) their pet has an ongoing medical condition requiring regular checks (25%).²⁸⁹

5.106 Routine and preventative treatments may reduce lifetime veterinary care costs for some pet owners by reducing the need for treatment of preventable conditions. Spreading veterinary costs in this way can result in significant benefits for consumers. However, preventative treatments do not necessarily result in significantly improved pet health outcomes, or in associated reductions in lifetime veterinary care costs. We are therefore considering the marketing and strategies of vet practices regarding routine treatments, including the marketing of pet care plans, to assess whether they support effective consumer decision making.

Choice of routine treatments can be influenced by behaviour of vet businesses

5.107 Evidence indicates that vet businesses can influence client uptake of routine treatments specifically, and direct marketing may drive this. Besides the finding from our pet owners survey that 66% of pet owners attend regular check-ups because they get reminders from their vet practice,²⁹⁰ we have seen evidence from LVG internal documents including:

- (a) An LVG [redacted] document that identifies high value customer segments (those who are proactive and highly engaged) through research and modelling, and then discusses opportunities to market more preventative treatments to customer segments identified as being open to engagement, via email marketing and paid media.²⁹¹ The same document highlights that a client with an email address [contact recorded with the practice] takes up [redacted] [30-50%] more preventative care.²⁹²
- (b) LVG [redacted] documents that indicate marketing campaigns and reminders about wellbeing and preventative treatments are used to drive client

²⁸⁶ Pet owners survey, Q57r4. 34% completely agree, 10% somewhat agree.

²⁸⁷ Pet owners survey, Q57r3. 11% completely agree, 8% somewhat agree.

²⁸⁸ Pet owners survey, Q57r1. 18% completely agree, 16% somewhat agree.

²⁸⁹ Pet owners survey, Q57r7. 15% completely agree, 10% somewhat agree.

²⁹⁰ Pet owners survey, Q57r2.

²⁹¹ LVG response to RF13, Q18 [redacted]

²⁹² LVG response to RF13, Q18 [redacted]

visits.²⁹³ Another LVG's [redacted] document describes [redacted].²⁹⁴ Another discusses [redacted].²⁹⁵

Pet care plans may encourage pet owners to purchase more routine treatments

- 5.108 The evidence we have seen to date indicates that pet care plans have an impact on pet owner behaviour by increasing engagement with the practice and uptake of additional treatments, services and products. Evidence indicates that this increased engagement is in part driven by the fact that pet care plans reduce the marginal cost of consultations and check-ups for pet owners, encouraging more regular attendance at the vet. While this may have positive implications for the animal's welfare and may reduce costs to the pet owner in the long term (via preventative care), they appear also to provide further opportunities for vet businesses to sell additional treatments to pet owners.
- 5.109 This section is focused on how pet care plans impact routine treatment choices. We discuss the general prevalence of pet care plans, how pet owners choose whether to subscribe to a pet care plan and pet care plan marketing in **Choice of pet care plans** above.
- 5.110 The evidence we have seen to date indicates that pet care plans increase pet owner uptake of routine treatments:
- (a) 82% of respondents to our pet owners survey who said they had pet plans and attended regular check-ups in the last two years agreed that they attended these because their pet care plan covered the cost of it.²⁹⁶ Only 4% of respondents with an active pet care plan said they had not had a regular check up in the last two years, significantly fewer than the 19% of respondents that had not had a pet care plan in the past three years. On the other end of the scale, 30% of respondents with an active pet care plan said they had attended four or five regular check-ups in the past two years, significantly more than the 13% of respondents that had not had a pet care plan in the past three years.²⁹⁷
 - (b) All LVGs have submitted that subscription to pet care plans does not influence the treatment options offered by vets to individual pet owners.²⁹⁸ However, two LVGs [redacted] did recognise the influence of these plans on clients' choices of treatments. One noted that they may, for example increase take up of non-core vaccinations when included in the plan, though also noted that the advantages and disadvantages are discussed

²⁹³ LVG response to RF13, Q15 [redacted]

²⁹⁴ LVG response to RF13, Q15 [redacted]

²⁹⁵ LVG response to RF13, Q15 [redacted]

²⁹⁶ Pet owners survey, Q57r4.

²⁹⁷ Pet owners survey, Q56.

²⁹⁸ All LVG responses to RF111 Q10 [redacted]; [redacted]; [redacted]; [redacted]; [redacted]; [redacted]

with all clients regardless of their plan status and all clients are able to opt-out of the vaccinations.²⁹⁹ The other noted plans facilitating access to preventative healthcare and in providing cost savings.³⁰⁰ Three LVGs [redacted] submitted that their respective pet care plans also provide discounts on other treatments, products and services.³⁰¹ These discounts could encourage pet owners to purchase more of these products and services.

- (c) In our qualitative research, veterinary professionals said that pet care plans supported pet owners and health outcomes for animals, because customers on plans were more likely to visit practices more promptly and take up preventative care than those without plans.³⁰²
- (d) Respondents that reported currently having pet care plans reported spending, on average, around 5% more on vet services in the past two years than respondents that reported not having pet care plans in that time.³⁰³ For those respondents that reported *only* using routine treatments in the past two years, respondents with pet care plans reported spending around 30% more on these routine treatments in the past two years.³⁰⁴
- (e) Significantly fewer respondents that said they had pet care plans reported spending under £200 on vet services in the past two years (13% of these respondents, compared to 19% of respondents that reported not having pet care plans in the past three years).³⁰⁵

5.111 We currently consider that pet owners may not always understand the relative cost of included and excluded treatments on a given plan, depending on how these plans are marketed (as noted in **Choice of pet care plans**). Pet owners may also not understand the relative frequency that such treatments would typically be recommended or required if a pet owner was not subscribed to any plan. This may affect their ability to accurately assess the value of a given plan for their pet's needs, which could in theory lead to over-provision of services. For example, one vet we spoke to in our qualitative research expressed concern that pet care plans may be normalising the over-vaccination or over administration of preventative treatments that might not be strictly necessary.³⁰⁶

5.112 As noted above in **Choice of pet care plans**, pet care plans offered by different vet businesses often cover different services at different frequencies, which may

²⁹⁹ LVG response to RF111, Q10 [redacted]

³⁰⁰ LVG response to RF111, Q10 [redacted]

³⁰¹ LVG responses to RF111, Q10 [redacted]; [redacted]; [redacted]

³⁰² Qualitative research with veterinary professionals, pp.98-100.

³⁰³ Pet owners survey, Q133 x Q108. Estimates for average spend were calculated using the minimum, midpoint and maximum of the response options provided. Increase in spend for each of these calculations was 5%.

³⁰⁴ Pet owners survey, Q133 x Q108, filtered by Q46. Estimates for average spend were calculated using the minimum, midpoint and maximum of the response options provided. Increase in spend for each of these calculations was 27%, 35% and 24%.

³⁰⁵ Pet owners survey, Q133.

³⁰⁶ Qualitative research with veterinary professionals, p.100.

make it difficult for consumers to easily compare available options and understand value for money given their specific preferences and demand for veterinary services. This may be challenged further where pricing is not communicated, and where consumers have high trust in their vet's advice.

5.113 In this regard, a significant number of LVG internal documents present pet care plans as a growth opportunity, by driving higher spend among plan owners compared to non-plan owners. For example:

- (a) A 2018 management presentation submitted by an investor in an LVG [X] reports [X].³⁰⁷ An LVG's [X] marketing strategy document outlines that [X]³⁰⁸
- (b) An LVG's [X] Group results report from 2021 notes that a dog owner with a pet care plan makes on average twice as many visits when compared with a client without a plan and spends on average 45% more per annum. Pet care plans are identified as 'key to driving quality growth' and help to 'drive recurring income and share of wallet'.³⁰⁹
- (c) A number of an LVG's [X] corporate documents report the growth potential of pet care plans. The LVG's pet care plan is said to drive high ([X]) margin. Clients on plans are identified as demonstrating increased pet compliance³¹⁰ ([X] times that of a client without a plan); increased visit frequency ([X] times that of a client without a plan); and increased average annual spend ([X] times higher than that of a client without a plan).³¹¹
- (d) An LVG's [X] ExCo presentation highlights that, compared to owners without pet care plans, owners of dogs and cats with pet care plans spend around [X] and around [X] more, respectively.³¹²

5.114 Some evidence indicates that this increase in spend can be explained by the increased take up of non-inclusive services, treatments and retail products that may be recommended or upsold during routine visits. This may also be driven by the inclusion of screening and diagnostic services in pet care plans.

- (a) A document from an LVG [X] notes [X].³¹³ Another document discusses [X].³¹⁴

³⁰⁷ LVG Investor response to RF13, Q3 [X]

³⁰⁸ LVG response to RF13 Q15 [X]

³⁰⁹ LVG response to RF13, Q36 [X]

³¹⁰ Pet 'compliance', here and in other internal documents, refers to the take-up of all recommended treatments and services according to recommended schedules.

³¹¹ For example, LVG response to RF13, Q15,36 [X]

³¹² LVG response to RF13, Q28 [X]

³¹³ LVG response to RF13, Q15 [X]

³¹⁴ LVG response to RF13, Q15 [X]

- (b) Comparative spend breakdowns in an LVG [redacted] document demonstrate that the average pet care plan customer spends £[redacted] in addition to plan premiums, compared with £[redacted] overall for non-plan customers, which might suggest that pet care plans drive higher spending on non-inclusive treatments.³¹⁵
- (c) An LVG [redacted] document, which describes future intentions to personalise plans to individual clients, claims to meet ‘demand based on the humanization of the sector’ but also aims to increase compliance and loyalty, stating that this will create high-value new work and increase chronic medication sales.³¹⁶
- (d) An LVG’s [redacted] document details a strategy proposed by a third party for creating [redacted] which would in turn lead to ‘additional [redacted] and vet spend’, including [redacted], advice driven point sales, and up-selling product purchase subscriptions.³¹⁷
- (e) An LVG [redacted] document discusses [redacted].³¹⁸

Choice of non-routine treatments and diagnostics

Our emerging view on how pet owners choose non-routine treatments

Compared to other choices, decisions about non-routine treatments and diagnostics are likely to be more urgent, give rise to higher financial costs, have greater potential animal welfare implications and involve greater information asymmetry between pet owners and vets. These contextual factors may mean that pet owners need to trust their vet’s clinical judgement and recommendations. Evidence indicates that veterinary professionals often consider individual pet owners’ circumstances in addition to animal healthcare needs when recommending treatment options.

In some circumstances, for example where treatment needs are urgent, seeking out alternatives and switching FOPs may not be an option at all for pet owners. In this regard, we note that evidence discussed in **Choice of FOP** above indicates that pet owners do not commonly decide to choose or switch FOPs based on the treatment advice that they receive.

These factors mean that there is very limited or no opportunity for pet owners to obtain alternative advice, including where this may have implications for treatment quality and price.

³¹⁵ LVG response to RF13, Q26 [redacted]

³¹⁶ LVG response to RF13, Q34 [redacted]

³¹⁷ LVG response to RF13, Q16 [redacted]

³¹⁸ LVG response to RF13, Q7 [redacted]

In certain circumstances, pet owners may reasonably be able to choose between a range of non-routine treatment options (for example, where the vet presents several clinically appropriate options for the pet owner to choose between) or between different FOPs (for example, where a problem is less urgent). In response to our survey, most pet owners reported feeling that they understood the options that were presented to them, that they were able to make informed choices and that they had the capability to challenge their vet's treatment advice if necessary.

Other evidence suggests that in some cases FOP vets may not be giving pet owners enough information to make effective choices about treatment options. Pricing information that we have seen provided to pet owners is mixed in quality, and pet owners may not always receive price information in time to inform their treatment decisions. Where pet owners may reasonably be able to choose between non-routine treatments or providers of non-routine treatments, the nature and timing of pricing information provision may limit their ability to make informed choices in a way that could constrain vet businesses.

We consider that together, these factors may limit pet owners' ability to put substantial competitive pressure on vet businesses to offer a wider range of options for non-routine treatments and diagnostics, or to keep prices low.

Our working paper on **Business models, provision of veterinary advice and consumer choice** considers the impact of this demand-side context, to assess whether vet businesses are providing services at higher prices, or at greater costs to consumers than we might expect in a well-functioning market. This might be either by charging more than might be expected or by focusing on more complex, higher cost services, at the expense of simpler, lower cost options that may be preferred by some consumers. It also discusses evidence of the effects of changes in the market and of the operation of different business models on outcomes for consumers, including differences in prices, treatment costs and spend per pet.

5.115 In this section, we consider:

- (a) the current demand for non-routine treatments;
- (b) contextual factors that impact effective pet owner decision making when choosing non-routine treatments and diagnostics;
- (c) the information that is made available to pet owners when choosing non-routine treatments and diagnostics, including in relation to pricing, treatment options and treatment outcomes; and
- (d) the impact of insurance on non-routine treatment decisions.

5.116 As discussed above, we draw a distinction between routine and non-routine treatments but recognise that there may be a connection between the two in certain clinical contexts.

Current demand for non-routine treatments

5.117 Respondents to our pet owners survey reported whether they received non-routine treatments in the past two years, as set out in Table 5.5 below.

Table 5.5: Proportion of pet owners that received non-routine treatments in the last two years

<i>Non-routine treatment type</i>	<i>Proportion of respondents that received treatment in last two years</i>
Consultation to diagnose or treat a condition	54%
Surgery (excluding neutering)	13%
Diagnostic tests	26%

Source: Pet owners survey, Q42³¹⁹

5.118 In terms of pricing, there is no ‘standard’ cost for non-routine treatments given the wide variety of offerings included in this group of services. However, the average value of items categorised in Table 3.3 by an insurance provider [X], as ‘consultations’, ‘diagnostics’ and ‘surgeries’ were £52, £120 and £212 respectively in 2024.³²⁰

5.119 Our working paper on **Business models, provision of veterinary advice and consumer choice** sets out in more detail our current analysis of these pricing and treatment intensity outcomes. This analysis shows that treatment costs and unit prices at both LVGs and independent FOPs increased substantially between 2015 and 2023.

Contextual factors impact effective decision making when choosing non-routine treatments and diagnostics

5.120 Our emerging view is that the contextual factors outlined in **Section 4** are likely to be of greater relevance to decision making about non-routine treatments than routine treatments or other services. This is due to the nature of these decisions in terms of potential outcomes for the animal, financial costs to the pet owner, the urgency and novelty of the circumstances, and information asymmetry between pet owners and vets. On that basis, non-routine treatments could be characterised as credence goods. As set out below, the potential for vets to

³¹⁹ ‘Earlier in this questionnaire, you said you visited vets about [X] times since [insert month for last 24 months], thinking about all these visits, what treatments and or services have you used?’

³²⁰ CMA analysis using an insurance provider [X] data.

influence pet owners' decisions, and for pet owners to trust the vet and follow their advice in these circumstances, seems to be significant.

- 5.121 If a pet owner is worried about a health concern and seeks a consultation, or something worrying is found at a routine consultation, they are faced with a range of options. These might include no treatment (to 'wait and see'), diagnostic tests in sequence (with further tests or treatment based on the results of initial tests), more comprehensive diagnostic tests (followed by treatment based on the results), treatment within the FOP without diagnostics, referral to a specialist referral centre, or euthanasia. Each of these options could result in very different likely pet health outcomes, prices incurred, time spent at the vet and duties caring for the animal. As every pet owner's circumstances are likely to be slightly different, such implications are complex and will depend on the individual nature of the pet's health concern, the broader health and characteristics of the pet, the diagnostic tests and treatments that are available and the circumstances of the pet owner.
- 5.122 The uncertain nature and potentially consequential impacts of non-routine treatments may have several implications for pet owners' decision making.
- (a) First, pet owners may make non-routine treatment and diagnostic decisions with particularly heightened emotions, for example where their pet's health concern is more severe. This may be intensified given that pet owners are required to make decisions on behalf of their pets, and many pet owners feel a sense of responsibility for their pets, often seeing them as part of the family (as discussed in **Section 4** above) and feel that they 'want to do the best' for them.
 - (b) Second, there is likely to be a particularly strong information asymmetry between pet owners and their vets, including about the potential health outcomes and financial costs of each of the available treatment options.
 - (c) Third, and in particular where a pet's health concern is more severe, pet owners may feel under pressure to choose between options urgently, which could affect their ability to engage effectively with complex information.
- 5.123 It seems to us that, taken together, these factors are likely to result in pet owners placing significant trust in the recommendations and advice of their individual vet when making decisions about non-routine treatment and diagnostics and being unlikely to have the motivation or capability to seek alternative options to those presented.
- 5.124 The evidence in this regard appears to bear out the view in the preceding paragraph. When asked to agree with a range of statements about their

relationship with their vet in our pet owners survey, respondents who had recently taken up non-routine treatment for their pet reported high levels of trust:

- (a) 88% agreed that their vet focuses on the highest standard of care for their pet's health,³²¹ 84% agreed that their vet takes the time to clearly explain various treatment options³²² and 56% agreed that they trust their vet practice to offer the fairest prices for pet treatment.³²³
- (b) Separately, 55% of respondents who had visited their vet for non-routine treatment said they felt that they could have declined the treatment recommended after receiving information on the price of treatment, but did not feel the need to, and 36% responded that they did not feel able to decline treatment for a range of reasons.³²⁴ We consider this could point to high levels of trust in the vet and practice driving a lack of comparison.

5.125 There is some evidence to indicate that pet owners perceive themselves to be well informed and able to make independent decisions about treatment options. However, other evidence indicates that pet owners generally trust their vet's recommendations and therefore do not often seek further information from other sources.

- (a) In our survey, pet owners perceived themselves to be well informed and able to make independent choices about treatment options. For example, 71% of participants who had recently taken up non-routine treatments felt that they had the capability to challenge their vet's treatment advice, if necessary,³²⁵ and 84% felt they understood the options when presented to them by their vet and were able to make an informed decision.³²⁶
- (b) However, when asked questions about their actual treatment experiences, survey respondents did not generally report seeking information other than from their vet, mostly because they reported high trust in their vet. For example:
 - (i) 22% of all pet owners who had visited a vet in the last two years for non-routine treatment said they had done their own research on their most recent treatment and looked for alternatives. Less than half of these (8% of this group of respondents) said that they used the

³²¹ Pet owners survey, Q36r1 (Filtered by those whose last visit was for non-routine treatment).

³²² Pet owners survey, Q36r4 (Filtered by those whose last visit was for non-routine treatment).

³²³ Pet owners survey, Q36r2 (Filtered by those whose last visit was for non-routine treatment).

³²⁴ Pet owners survey, Q52 (Filtered by those whose last visit was for non-routine treatment). Reasons were: 8% 'No, part of the treatment or diagnosis had already occurred so it would have been impossible to go with a different option'; 11% 'No, I was already in the clinic and it would have been difficult to go with a different option (e.g. due to time being needed to search for alternatives)'; 13% 'No, because I would have needed to change vets / have another consultation to get an alternative diagnosis or treatment option'; 4% 'No, for a different reason'.

³²⁵ Pet owners survey, Q36r6. "Somewhat agree" (29%), "Completely agree" (42%).

³²⁶ Pet owners survey, Q36r5. "Somewhat agree" (25%), "Completely agree" (58%).

alternative they found. In comparison, 61% of respondents said that they did not do their own research because they trusted their vet to make the right decision; 5% said they did not realise they could do their own research and 11% said they were unable to do so (for example because of limited time available or a lack of knowledge of what to search).³²⁷

- (ii) When asked why they decided to proceed with their vet's recommendation for diagnostic test(s), 64% of respondents to our survey who had visited the vets for diagnostic tests said that they did so because they trusted their vet. 16% of respondents said that they confirmed the need for this test with their research.³²⁸

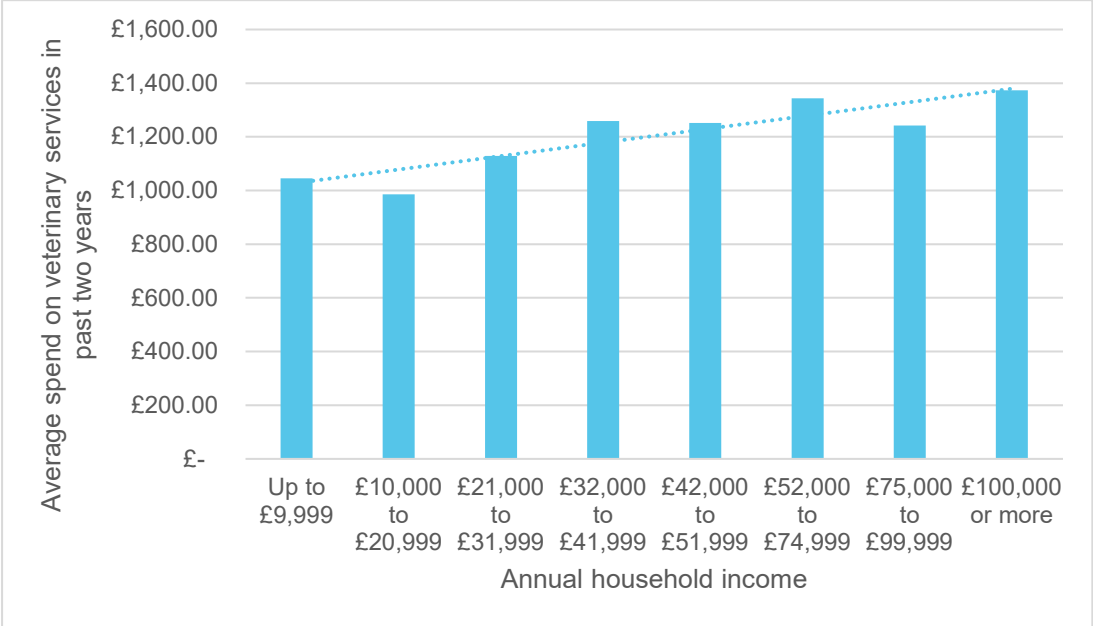
- 5.126 We also note submissions from parties that pet owners are increasingly humanising their pets, and that this increased humanisation is a driver of pet healthcare spending, as described in **Section 4**. However, we note that increases in treatment complexity and intensity can be supply-driven as well as demand-driven: pet owners might be choosing more complex treatments because they are being recommended these by their vet practice, rather than requesting them in the absence of such suggestions.
- 5.127 As an illustration of the point, a 2024 LVG [redacted] document discusses a strategy [redacted].³²⁹
- 5.128 We are considering the impact of financial factors on some pet owners' ability to accept vet recommendations, particularly for expensive treatments. The evidence so far is mixed.
- 5.129 In our pet owners survey, income was correlated with spend on veterinary services, as set out in **Figure 5.1** below. However, there was a relatively small difference in average spend across all income groups, with average spend ranging from £986 (for pet owners with a household income of £10,000 to £20,999) to £1,374 (for pet owners with a household income of over £100,000). This is slightly less than a 40% difference.

³²⁷ Pet owners survey, Q53. Remaining responses: don't know / can't remember (8%)

³²⁸ Pet owners survey, Q81r1.

³²⁹ LVG response to RFI3, Q7 [redacted]

Figure 5.1: Average spend on veterinary services in past two years by annual household income



Source: Pet owners survey, Q133 x Q139a ³³⁰

5.130 We saw no significant difference in respondents undertaking their own research into treatments following the vet’s recommendation between those who perceive themselves to be financially more versus less comfortable.³³¹ However, perceptions of the vet and practice in the context of decision making over treatment appear to differ between those who perceive themselves to be financially struggling compared to those who are more comfortable. For example:

- (a) Significantly more participants who perceived themselves to be ‘finding it very difficult’ disagreed with the statement ‘my vet focuses on the highest standard of care for my pet’s health’ (14%) compared to those who felt they were ‘doing alright’ (2%) or ‘living comfortably’ (2%).³³²
- (b) Significantly more participants ‘finding it very difficult’ (35%) disagreed with the statement that their vet considers their personal circumstances when deciding which treatment options to offer compared to those ‘living comfortably’ (19%) or ‘doing alright’ (18%).³³³
- (c) When asked about whether the ‘vet takes the time to clearly explain various treatment options to me’, significantly more of those who perceived themselves to be ‘finding it very difficult’ (11%) and those who were ‘just

³³⁰ Pet owners survey, Q133 ‘Approximately how much have you spent in total on vet services over the last two years?’ x Q139a ‘What is your annual household income, before tax and other deductions?’.
³³¹ Pet owners survey, Q53 x Q139.
³³² Pet owners survey, Q36r1 x Q139.
³³³ Pet owners survey, Q36r2 x Q139.

about getting by' (8%) disagreed with this statement than did those who were 'living comfortably' (4%).³³⁴

- (d) Significantly more participants who were 'just about getting by' (84%), 'doing alright' (86%) and 'living comfortably' (85%) agreed that they understand the options presented by their vet and can make informed decisions, compared to those 'finding it very difficult' (68%).³³⁵
- (e) 20% of those 'finding it very difficult' disagreed that they had the capability to challenge their vet's advice if needed, significantly higher than those 'doing alright' (7%) and those 'living comfortably' (8%).³³⁶

5.131 We have seen mixed evidence in LVG internal documents on the impact of income on treatment choice.

- (a) Market research in an LVG [redacted] internal document suggests that budget-conscious pet owners are least likely to follow a vet's recommendation and engage with a vet.³³⁷
- (b) On the other hand, market research presented in an LVG's [redacted] internal document suggests that [redacted].³³⁸
- (c) Some vets [redacted] told us that they have not charged pet owners for treatments as a goodwill gesture, and to prevent euthanasia as the only viable option for some clients.³³⁹

5.132 Looked at together, the evidence we have assessed so far appears to support the view that pet owners may have a high propensity to follow their vet's advice in respect of non-routine treatments, and that vet recommendations are liable to have a material effect on the choices pet owners make.

Information available to pet owners when choosing non-routine treatments

5.133 When choosing non-routine treatments, pet owners are provided with a range of information including on pricing, treatment options and likely outcomes. Below we consider the extent to which this information currently supports informed decision making. Overall, we have received mixed evidence which suggests to us that pet owners may not consistently be given the information they need, particularly in relation to price.

³³⁴ Pet owners survey, Q36r3 x Q139.

³³⁵ Pet owners survey, Q36r4 x Q139.

³³⁶ Pet owners survey, Q36r5 x Q139.

³³⁷ LVG response to RF13 [redacted]

³³⁸ LVG response to RF13, Q15 [redacted]

³³⁹ Independent response to RF11, Q12 [redacted]

Provision of price information may not be sufficient to support informed decision making

- 5.134 We have considered the quality and availability of pricing information that is presented to pet owners when making treatment decisions. The quality of pricing information we have seen varies widely but some evidence we have seen so far demonstrates the negative impact poor information provision has on some consumers. While many vet businesses have positive policies to promote the provision of price information, evidence to date suggests these may not be sufficiently communicated to or followed by practice staff.
- 5.135 Submissions and internal document evidence from LVGs suggests that their protocols and policies are aimed at supporting staff provision of price information to customers. All LVGs submitted that their internal guidance for staff states that pricing should be communicated to customers ahead of the provision of any services. In particular:
- (a) Three LVGs [redacted] submitted that cost estimates are written on the consent form prior to treatment.³⁴⁰
 - (b) Two LVGs [redacted] submitted that the way in which price is communicated is decided locally. One of the LVGs [redacted] stated that it ‘recommends that all customers be provided with a written price estimate’, to be updated as necessary where additional services are required,³⁴¹ while the other LVG [redacted] stated that it provides guidance for practices on providing estimates.³⁴²
 - (c) Another two LVGs [redacted] both submitted that options and costs will be discussed in consultation, and estimates will be created in their practice management system and provided to the client either at the time or by email after the consultation. One of the LVGs [redacted] stated that ‘some practices also record price and treatment option discussions with clients’.³⁴³ While the other LVG [redacted] stated that in rare, emergency situations, it may be necessary to proceed with a treatment before consent is obtained in the interest of animal welfare.³⁴⁴
- 5.136 We note that even where clear and appropriate protocols exist, individual staff and individual practices may not consistently access these guidelines and may take their own approaches to providing pricing information regarding treatment options. What pet owners are told and the way they understand it can also vary.

³⁴⁰ LVG responses to RF11, Q14 [redacted]; [redacted]; [redacted]

³⁴¹ LVG response to RF11, Q14 [redacted]

³⁴² LVG response to RF11, Q14 [redacted]

³⁴³ LVG response to RF11, Q14 [redacted]

³⁴⁴ LVG response to RF11, Q14 [redacted]

- 5.137 We have reviewed several client-facing information sources from a range of vet practices. Overall, we consider that these vary in quality – some appear to provide sufficient detail to support decision making,³⁴⁵ while others could confuse or overwhelm the average pet owner. For example:
- (a) An LVG [redacted] submitted that its practice owners are ultimately free to determine how they provide price estimates and provided illustrative examples of two practices that used different methods to provide price estimates to customers.³⁴⁶
 - (b) Another LVG [redacted] confirmed that educational and promotional materials for clients have been made available, but that there was no internal requirement to use them in practices.³⁴⁷
- 5.138 Estimates, rather than fixed prices, are common in some vet practices when communicating price to pet owners, and this is often necessary for non-routine treatments given the greater variability in the animal's condition and potential outcomes. This may present challenges for consumers in anticipating costs, particularly where wide ranges are given.
- 5.139 Evidence indicates that pricing information is often provided orally, and that written pricing information is infrequently provided prior to treatment.
- (a) Of those respondents to our pet owners survey that said they were provided with a price in advance of treatment at their most recent visit for non-routine treatment, most (73%) reported that someone talked to them about this price. 9% said that they received a written, overall price, 20% said that they received an itemised price list of the services they would receive, and 8% said that they were referred to a standard price list in the practice or online.³⁴⁸
 - (b) Among those who attended the vet for diagnostic tests and said they received information on the price in advance, 39% said they received this written down, for example via email and/or text, on a consent form or invoice.³⁴⁹ 93% said that they received price information verbally.³⁵⁰
 - (c) Our qualitative research with veterinary professionals found that, during veterinary consultations, they would often communicate prices as part of a conversation seeking consent to proceed with the treatment.³⁵¹

³⁴⁵ For example, [redacted] or [redacted].

³⁴⁶ LVG response to RF11, Q14 [redacted]

³⁴⁷ LVG response to RF11, Q9 [redacted]

³⁴⁸ Pet owners survey, Q51. (Filtered by those whose last visit was for non-routine treatment).

³⁴⁹ Pet owners survey, Q79r1. 55% said they did not receive the information in written form.

³⁵⁰ Pet owners survey, Q79r3. 5% said they did not receive the information verbally.

³⁵¹ Qualitative research with veterinary professionals, p. 34-36.

- 5.140 We note that, while oral discussions of price between vets and pet owners may provide clarity for some consumers, they may also present barriers to engagement and awareness and reduce motivation or willingness to consider alternatives. Orally communicated information does not allow consumers to refer to the quoted price in future and relies on memory of the conversation, which may be less reliable in complex treatment scenarios.
- 5.141 We have also heard that communication training, including communicating prices, is a recent and valued addition to training for veterinary professionals, but that new graduates do not always get experience with this in practical training. In particular, veterinary school academics and veterinary students mentioned that communicating treatment costs can be challenging, particularly for newly qualified veterinary professionals.³⁵²
- 5.142 Overall, evidence from a range of sources indicates that pricing information regarding treatment options may not be provided to or understood by pet owners on a consistent basis. For example:
- (a) Of those respondents to our pet owners survey whose most recent visit was for non-routine treatment, 84% of respondents felt generally able to make informed decisions about treatment choices.³⁵³ However, 53% separately said that they were not provided with a price in advance of treatment, and only 14% said that they were presented with a fixed price, rather than an estimate or range.³⁵⁴ This suggests that some of these respondents were not as informed (at least about price) as they perceived themselves to be, or that price was not considered in this self-assessment of how informed they were.
 - (b) Of those who had visited the vet for a diagnostic test and were presented with a range of diagnostic test options, 22% said that they did not receive a price or price range for the diagnostic tests.³⁵⁵ Of the 64% of respondents that said they were provided with the diagnostics price in advance, 12% of these said the actual cost was more than they expected after choosing the treatment.³⁵⁶ Comparing against expectations of price prior to visiting the practice, 50% of participants said the price was higher than expected.³⁵⁷

³⁵² [Summary of academic roundtable discussions](#), paragraph 4. [Summary of vet student and new graduates roundtable discussions](#), paragraph 7.

³⁵³ Pet owners survey, Q36r5,

³⁵⁴ Pet owners survey, Q50.

³⁵⁵ Pet owners survey, Q78r3.

³⁵⁶ Pet owners survey, Q84. 8% said it was less, and 77% said it was as expected.

³⁵⁷ Pet owners survey, Q85. 33% said 'The cost was about what I was expecting', 4% said 'The cost was a little less than I was expecting', 3% said 'The cost was a lot less than I was expecting'; 8% said 'I didn't have any expectations', and 3% said 'Don't know / Can't recall'

- (c) In response to a 2023 Which? survey, more than a third (36%) of pet owners said they usually only found out the price after the appointment at the reception, and 4% said they usually only found out the price when receiving a bill.³⁵⁸
- (d) Evidence from an LVG's [redacted] internal documents indicates a lack of customer understanding drives complaints about price, and accordingly employees should 'communicate as far as possible the reason for a recommendation, specific tests or treatment plan'.³⁵⁹ Audits of eight of the LVG's [redacted] practice consultations demonstrated that price was not always communicated ahead of treatment,³⁶⁰ which is against the company policy regarding price communication as set out in the LVG submission.³⁶¹
- (e) In internal research from another LVG [redacted] in 2022, failure to explain options to clients was the most regularly cited reason for complaints on standard of care.³⁶²
- (f) 12% of complaints received by the Veterinary Client Mediation Service (**VCMS**) between November 2019 and June 2024 related to clinical fees and a further 11% of complaints were categorised as 'consent – service/communication' or 'failure to update'.³⁶³ We note that our pet owners survey identified a low number of participants had complained to the VCMS, with the majority complaining directly to their vet or practice instead.³⁶⁴ Only 5% of participants were aware of the VCMS,³⁶⁵ and only 4% of those who had not thought about making a complaint said they would contact the VCMS if they wanted to complain in future.³⁶⁶ Among those who had considered complaining, 50% said the complaint was about pricing, 5% mentioned an issue with communication, 3% mentioned pressure into taking up unnecessary treatment, and 3% mentioned overcharging.³⁶⁷
- (g) As part of our qualitative research with vet professionals, we observed that approaches to communicating prices differ between vets, and between consultations with the same vet. Often prices were discussed during consultations, and a few vets mentioned that prices would be shared by reception staff during the booking process if the customer asked for this

³⁵⁸ [Consumer harm in veterinary services, Which? Policy Report, December 2023.](#)

³⁵⁹ For example, LVG response to RF13, Q24,28 [redacted]

³⁶⁰ LVG response to RF13, Q25 [redacted]

³⁶¹ LVG response to RF11, Q14 [redacted]

³⁶² LVG response to RF13, Q26 [redacted]

³⁶³ VCMS response to RF11, Question 7.

³⁶⁴ Pet owners survey, Indicative finding (small base size; n = 63). Q118, Complained to the VCMS 4/63; Complained to vet or practice staff 47/63.

³⁶⁵ Pet owners survey, Q120.

³⁶⁶ Pet owners survey, Q116a.

³⁶⁷ Pet owners survey, Q117.

information. A small number of vets reported finding it challenging to discuss price with clients due to their experiences with clients complaining about high costs.³⁶⁸

- 5.143 Bill shock may be experienced by some consumers, although evidence suggests that this is because price estimates are not always reliable, rather than because of any systematic underestimating of potential costs:
- (a) Among participants in our pet owner survey who had last visited their vet for non-routine treatment and had been provided with a price or estimate in advance, 12% said the price was higher than quoted. A larger proportion (22%) of these participants said the price was less than quoted in advance.³⁶⁹ Similarly, among those who attended the FOP for diagnostics and were given a price in advance, 12% said the price was more than the quote provided. 8% said that the final price was less than they had been quoted.³⁷⁰
 - (b) A small number of vets we spoke to in our qualitative research reported finding it challenging to discuss price with pet owners, due to experiences of pet owners being 'absolutely gobsmacked' at prices, and having to justify prices to customers who could not 'believe' the prices they were quoted.³⁷¹
- 5.144 Overall, it appears to us that while LVG protocols and policies are aimed at supporting the provision of price information regarding non-routine treatments, pet owners may not always receive or understand this pricing information on a consistent basis, in a way that supports informed decision making.

Pet owners may not always receive price information in time to inform their treatment decisions

- 5.145 We consider that the timing of price information for non-routine treatments is important to inform decision making. For example, if the price is communicated to the pet owner after treatment or diagnosis has begun, pet owners may be less likely or able to compare options and therefore be unable to make an informed choice or may feel committed to proceeding with the treatment.
- 5.146 In our pet owners survey, 43% of respondents whose most recent visit to the vets was for non-routine treatment said they received price information in advance of treatment. 14% that said they were provided with a fixed price, 17%

³⁶⁸ Qualitative research with veterinary professionals, p. 20-21.

³⁶⁹ Pet owners survey, Q53b. 10% said 'The actual price was a little more', and 3% said 'The actual price was much more'.

³⁷⁰ Pet owners survey, Q84. 8% said 'The actual cost was a little more', and 4% said 'The actual cost was much more'.

³⁷¹ Qualitative research with veterinary professionals, p. 20.

that said that they were provided with a price estimate and 12% that said that they were provided with an estimated range. 53% of respondents said they did not receive price information in advance of treatment, although this included 6% of respondents that said this was because the service was included in their pet care plan or insurance.³⁷²

5.147 We asked pet owners who had received pricing information during their most recent visit to the vet if they felt that they could have declined the treatment and considered alternatives after receiving this information. Of those respondents whose most recent visit was for non-routine treatment:

(a) 36% of pet owners responded that they did not feel they could decline treatment at their most recent visit, for a range of reasons including the need to switch provider (13%), and the time cost involved with searching for alternatives (11%). 60% of respondents felt they could decline the treatment and consider alternative options. Of these respondents, 8% said that they did choose an alternative option and 92% said that they did not.³⁷³

(b) Among pet owners who had visited the vet in the last two years for diagnostics and received price information, 26% did not feel they could decline or consider alternative options after they had been informed of the price.³⁷⁴

5.148 Taken together, this evidence is consistent with a concern that a material number of pet owners do not have price information at the time they need it, or do not or cannot respond to it when they get it.

Treatment options and recommendations are often tailored to individual pet owners

5.149 Overall, evidence indicates that veterinary professionals often consider individual pet owners' circumstances in addition to animal healthcare needs when recommending treatment options. However, there is likely to be an information asymmetry between pet owners and their vets that may limit pet owner engagement with treatment choice and mean they are reliant on vet recommendations. This may mean that pet owners are unlikely to be reasonably able to seek alternative options, limiting their ability to put competitive pressure on vet businesses.

³⁷² Pet owners survey, Q50: Still thinking about your most recent visit, did the vet practice provide you with any information about the price of the [treatment] in advance?

³⁷³ Pet owners survey, Q52.

³⁷⁴ Pet owners survey, Q80.

5.150 We have heard from many sources that most veterinary professionals actively take a ‘contextualised care’ approach to providing treatment options, where circumstances of the pet owner and animal are considered alongside what is clinically optimal or beneficial for the animal. Relevant circumstances may include the pet owner’s financial situation, the pet’s age and overall health, and the owner’s ability to administer medication or bring the animal to the vet for ongoing treatment. Whether a vet is considering these contextual factors may or may not be apparent to the pet owner.

- (a) There appears to be widespread appreciation across the veterinary profession of the value of delivering contextualised care.³⁷⁵
- (b) We have heard that the curriculum for vet students has recently increased its focus on communication skills, to prepare graduates for the requirement to deliver care in this way.³⁷⁶
- (c) Many internal documents from LVGs outline guidance and expectations of staff to deliver contextualised care.³⁷⁷
- (d) 20% of pet owners in our survey did not agree that their vet takes their personal circumstances into consideration.³⁷⁸ This suggests contextualised care is not always delivered, or that pet owners are not always aware of the considerations vets are taking into account. A significantly higher proportion of those whose most recent visit was for non-routine treatment (25%) disagreed with the statement ‘my vet considers my own personal circumstances when deciding which treatment options to offer me’ compared with those who visited for routine treatment (16%).

5.151 Approaches to care differ across vets or practices, and therefore customers may be presented with treatment options differently depending on the vet or practice they visit.

- (a) In our qualitative research, many vets described limiting the treatment options to those which are affordable when the vet is aware of a particular customer’s financial constraints. Most said that they relied on information or signals from the pet owner to understand their financial circumstances, and where this was not provided, had inferred it from pet owners’ reactions to price information given in consultations.³⁷⁹ This indicates that there is a

³⁷⁵ For example, LVG response RFI3, Q26 [§<]; [Roundtable with academics](#); [RCVS Knowledge Contextualised Care Hub](#).

³⁷⁶ [Summary of academic roundtable discussions](#), paragraph 4

³⁷⁷ For example, LVG response to RFI3, Q26 [§<]

³⁷⁸ Pet owners survey, Q36r3.

³⁷⁹ Qualitative research with veterinary professionals, pp. 14-16.

risk that financial considerations may not always be taken into account, and might not necessarily be accurate when they are.

- (b) Some vets told us they felt a responsibility to offer all treatment options to all clients faced with a certain condition, as they did not want to make a judgement on customer affordability. Others said they would offer a comprehensive range of diagnostics to insured pet owners or those who had indicated they could afford more costly treatment.³⁸⁰
- (c) A submission from an LVG [redacted] noted that it had expanded training for vets to help them offer pet owners a range of options, including more financially affordable options that are 'less ideal from a patient perspective' and that many vets struggle with this as they want to deliver the best clinical care.³⁸¹
- (d) We heard from one small veterinary group [redacted] that they have implemented vet meetings to decide on the care approach for certain clinical situations to mitigate the risk of confusing clients if different approaches are proposed by different vets.³⁸²
- (e) We have heard suggestions that some vets consider euthanasia a failure, rather than a valid clinical option in some circumstances, which could indicate this option is not always considered in the contextualised care model. Animal charities told us they frequently see animals for which euthanasia could have been offered in the original practice.³⁸³ This view was shared by representatives of consumer bodies, who felt vets were less enabled to conduct conversations about euthanasia than they have been in the past.³⁸⁴ A veterinary academic mentioned that they are clear in their teaching that euthanasia is not a welfare concern but a valid clinical decision.³⁸⁵

5.152 In response to our pet owners survey, most respondents reported feeling well informed by their vet in relation to the treatment options provided to them and trusted their vets' advice on treatment options.

- (a) 88% of respondents to our pet owners survey agreed that their vet focuses on the highest standard of care for the pet's health.³⁸⁶ 47% agreed that

³⁸⁰ Qualitative research with veterinary professionals, pp.16-17.

³⁸¹ LVG response to RF11, Q1 [redacted]

³⁸² Independent response to RF11, Q11 [redacted]

³⁸³ [Summary of animal charity roundtable discussions](#), paragraph 3

³⁸⁴ [Summary of consumer roundtable discussions](#), paragraph 11.

³⁸⁵ [Summary of academic roundtable discussions](#), paragraph 14.

³⁸⁶ Pet owners survey, Q36r1

their vet considers their own personal circumstances when deciding which treatment options to offer them.³⁸⁷

- (b) 79% of respondents said that they were satisfied with the information and advice received from their vet in their most recent visit for non-routine treatment. Significantly more customers of independent vets (86%) were satisfied with the information they received on their last visit than customers of LVGs (77%).³⁸⁸
- (c) Among those who visited the vet for diagnostics, 56% said they were satisfied with the information and advice they received. There were no significant differences in response rates between customers of independent and LVG practices.³⁸⁹
- (d) As noted above, 61% of respondents said that they did not do any research at their most recent visit for non-routine treatment because they trusted their vet to make the right decision for their pet.³⁹⁰

5.153 When describing their most recent visit for non-routine treatment or most recent visit for diagnostics testing, many respondents to our pet owners survey reported that they did not receive different treatment options from their vet (although we note that for some of these respondents, there may not have been any possible alternative treatment options). In particular:

- (a) In their most recent visit for non-routine treatments, 43% of respondents said that their vet did not provide alternative treatment options. 42% of respondents said that they did receive alternative options.³⁹¹
- (b) When asked about their most recent diagnostic test, 30% of respondents said that their vet performed this test without providing any options for alternative tests or treatments. 63% of respondents said that their vet indicated there was a range of possible diagnostic options.³⁹²

5.154 Perceptions of how contextualised care is implemented in consultations also might differ between vets and clients. For example, research submitted by an LVG [§<] found that 71% of vets said that when faced with pet owners struggling to pay for a recommended treatment, they had offered the best alternative cheaper treatment. However, when pet owners were asked the same

³⁸⁷ Pet owners survey, Q36r3.

³⁸⁸ Pet owners survey, Q55br1.

³⁸⁹ Pet owners survey, Q85br1.

³⁹⁰ Pet owners survey, Q53 x Q139.

³⁹¹ Pet owners survey, Q52b. The remaining respondents said that they needed a second consultation (4%), could not remember whether they were given options (4%) or gave another answer (7%).

³⁹² Pet owners survey, Q77.

question about their own experience of options offered when struggling to pay, only 17% said their vet had offered the best alternative cheaper treatment.³⁹³

5.155 Even where individualised options are provided, it is not clear whether pet owners would have the appetite to compare treatment options, given the contextual factors discussed above. There is a risk that they may find it difficult to understand the health outcomes of different options and rely on their vet to take this into account in making treatment recommendations. In that connection, we observe the following:

- (a) As noted above, only 22% of all pet owners who had visited a vet in the last two years for non-routine treatment said they had done their own research on their most recent treatment and looked for alternatives. 61% of respondents said that they did not do their own research because they trusted their vet to make the right decision; 5% said they did not realise they could do their own research and 11% said they were unable to do so (for example because of limited time available or a lack of knowledge of what to search).³⁹⁴
- (b) Representatives of consumers mentioned that treatment choice may induce guilt in pet owners, where this decision is driven by cost considerations.³⁹⁵ This type of wording could create perceptions of quality even where expected clinical outcomes might not be significantly different.

5.156 Similarly, barriers may exist to seeking alternatives or getting a second opinion.

- (a) Of those respondents to our pet owner survey who had received price information at their last vet visit and were seeking non-routine treatment, 11% did not feel they could decline the treatment to consider alternatives due to difficulties such as the time required to do so. 13% of the same group of respondents stated that switching vets or having a new consultation was a barrier to considering alternatives and 13% referenced other barriers to switching at that point in the customer journey.³⁹⁶
- (b) As discussed in **Choice of FOP**, pet owners identified a range of general barriers to switching providers, including the difficulty of building new relationships, the importance of continuity of care and other practical reasons like moving medical records and not having local alternatives to switch to.

³⁹³ LVG response to RF13 [3<]

³⁹⁴ Pet owners survey, Q53. Remaining responses: don't know / can't remember (8%)

³⁹⁵ [Summary of consumer roundtable discussions](#), paragraph 11

³⁹⁶ Pet owners survey, Q52; Non-routine cross-tab. Other barriers to switching included that part of the treatment had already begun (8%), 'a different reason' (4%), and that the need for treatment was immediate (1%).

- (c) Given the cost of consultation fees and diagnostic testing, the need to pay again for a second opinion on alternative treatment options may also be a barrier to shopping around.

5.157 Taken together, we consider this evidence indicates that veterinary professionals often consider individual pet owners' circumstances in addition to animal healthcare needs when recommending treatment options. There is likely to be an information asymmetry between pet owners and their vets that may limit pet owner engagement with treatment choice and mean they are reliant on vet recommendations. This may mean that pet owners are unlikely to seek alternative options or switch providers, limiting their ability to put competitive pressure on vet businesses.

Effect of insurance on non-routine treatment decision making

5.158 Vet insurance policies differ in coverage, premiums, and excess, but typically cover non-routine treatments and not routine or preventative care. Below, we assess:

- (a) whether insurance is correlated with higher expenditure on veterinary services, and
- (b) how insurance might impact pet owner and vet decision making regarding non-routine treatments.

5.159 We set out information on the current demand and motivations for getting veterinary insurance in **Choice of insurance** above.

Insurance uptake appears to be correlated with higher vet bills

5.160 Evidence from our pet owners survey indicates that insurance uptake is correlated with higher spending on veterinary services, including non-routine treatments. It is not clear whether there is a causal relationship between insurance and expenditure, given that consumers with insurance may have different characteristics than consumers without insurance, and may be pre-disposed to spend more on their pets given these characteristics (for example, pet owners with higher incomes who responded to our survey were more likely to have insurance – see **Choice of insurance**).

5.161 In our pet owners survey, respondents were asked to estimate their expenditure on vet services in the last two years, including any insurance payouts and pet care plan subscription fees, but excluding any insurance premiums.³⁹⁷ Respondents with insurance reported having vet bills that were on average

³⁹⁷ Pet owners survey, Q133.

around 30% higher than respondents who had not been insured in the past three years.³⁹⁸ However, this increase in vet bills was similar for all respondents, including those that reported using non-routine treatments in the past two years (which are the focus of insurance policies), and those that did not.

5.162 We have also seen evidence from LVGs that whether a pet owner has insurance is likely to be correlated with higher spending. For example:

- (a) A third-party assessment of European vet services markets from 2018 submitted by an investor of an LVG [X] notes that, [X].³⁹⁹
- (b) An LVG [X] document identifies increasing insurance uptake as a growth opportunity, as those with insurance are more valuable. The document highlights that by improving insurance penetration, the LVG [X] can ‘help client[s]’ ability to pay and increase the level of care’ delivered. Most of the LVG’s clients [X] were identified as not covered by insurance, which was identified as a ‘volume risk’ for the organisation.⁴⁰⁰ A market analysis document submitted by an investor in an LVG [X] also identified an increased penetration of pet insurance as a facilitating factor in higher spend on vet services.⁴⁰¹
- (c) Another LVG [X] document identifies that a pet owner covered by insurance is [X] times, or around £[X], more valuable per year than an uninsured one.⁴⁰²
- (d) A document submitted by an investor in an LVG [X] identifies [X].⁴⁰³

5.163 More general academic evidence, albeit not from the UK or specifically in relation to the veterinary service industry, suggests that there is a strong positive correlation between health insurance coverage and medical spending in credence goods markets. These results come from studies across a range of countries including the US, China and Japan, from a range of human healthcare contexts, including prescription, emergency services and general healthcare services, and involving various age groups.⁴⁰⁴

³⁹⁸ Estimates for average spend were calculated using the minimum, midpoint and maximum of the response options provided. Increase in spend for each of these calculations was 32%, 36% and 30% respectively.

³⁹⁹ LVG Investor response to RFI3, Q3 [X]

⁴⁰⁰ LVG response to RFI3, Q15 [X]

⁴⁰¹ LVG Investor response to RFI3, Q2, Q3 [X]

⁴⁰² LVG response to RFI3, Q15 [X]

⁴⁰³ LVG Investor response to RFI3, Q6 [X]

⁴⁰⁴ Anderson, M., Dobkin, C., & Gross, T. (2012). The effect of health insurance coverage on the use of medical services. *American Economic Journal: Economic Policy*, 4(1), 1-27.

Anderson, M. L., Dobkin, C., & Gross, T. (2014). The effect of health insurance on emergency department visits: Evidence from an age-based eligibility threshold. *Review of Economics and Statistics*, 96(1), 189-195.

- (a) An academic synthesis of this body of evidence proposes that the increase in medical spending due to insurance coverage may be attributable to at least two of four explanations, these being (i) adverse selection where individuals with a higher risk of needing care are more likely to purchase insurance; (ii) moral hazard where insured patients ask for more services, or more expensive services; (iii) agency version moral hazard where doctors prescribe more or more expensive services to insured patients; and (iv) second-degree moral hazard where doctors prescribe more or more expensive services to insured patients because they have financial incentives to do so and anticipate less resistance from insured patients.⁴⁰⁵
- (b) There is evidence of second-degree moral hazard from human healthcare. For example, in a field experiment in China, academics studied doctors' prescribing decisions using controlled hospital visits with randomised patient insurance and doctor incentive status – patients were presented as insured or uninsured to doctors from whom the prescribed medication would be bought or not. The study found that doctors wrote 43% more expensive prescriptions to insured patients when they expected to obtain a proportion of the patient's drug expenditure.⁴⁰⁶
- (c) There is similar evidence of insurance creating second-degree moral hazard from other credence goods settings such as computer repair services⁴⁰⁷ and taxi ride services.⁴⁰⁸

5.164 We also note that a range of veterinary expenses, including potentially high-cost routine treatments, are not covered by insurance. The majority (53%) of insured respondents reported that their insurance paid for none of their veterinary expenses in the past two years. 24% of insured respondents reported that their

Card, D., Dobkin, C., & Maestas, N. (2008). The impact of nearly universal insurance coverage on health care utilization: evidence from Medicare. *American Economic Review*, 98(5), 2242-2258.

Card, D., Dobkin, C., & Maestas, N. (2009). Does Medicare save lives?. *The quarterly journal of economics*, 124(2), 597-636.

Clemens, J., & Gottlieb, J. D. (2014). Do physicians' financial incentives affect medical treatment and patient health?. *American Economic Review*, 104(4), 1320-1349.

Iizuka, T. (2007). Experts' agency problems: evidence from the prescription drug market in Japan. *The Rand journal of economics*, 38(3), 844-862.

Iizuka, T. (2012). Physician agency and adoption of generic pharmaceuticals. *American Economic Review*, 102(6), 2826-2858.

Lundin, D. (2000). Moral hazard in physician prescription behavior. *Journal of health economics*, 19(5), 639-662.

Wagstaff, A., & Lindelow, M. (2008). Can insurance increase financial risk?: The curious case of health insurance in China. *Journal of health economics*, 27(4), 990-1005.

Wagstaff, A., Lindelow, M., Jun, G., Ling, X., & Juncheng, Q. (2009). Extending health insurance to the rural population: an impact evaluation of China's new cooperative medical scheme. *Journal of health economics*, 28(1), 1-19.

⁴⁰⁵ Kerschbamer, R., & Sutter, M. (2017). The economics of credence goods—a survey of recent lab and field experiments. *CESifo Economic Studies*, 63(1), 1-23.

⁴⁰⁶ Lu, F. (2014). Insurance coverage and agency problems in doctor prescriptions: evidence from a field experiment in China. *Journal of Development Economics*, 106, 156-167.

⁴⁰⁷ Kerschbamer, R., Neurerer, D., & Sutter, M. (2016). Insurance coverage of customers induces dishonesty of sellers in markets for credence goods. *Proceedings of the National Academy of Sciences*, 113(27), 7454-7458.

⁴⁰⁸ Balafoutas, L., Kerschbamer, R., & Sutter, M. (2017). Second-degree moral hazard in a real-world credence goods market. *The Economic Journal*, 127(599), 1-18.

insurance paid for more than half of their expenses and 20% reported that it covered less than half.⁴⁰⁹ In this regard, an LVG [X] identifies that around [X] of the annual value of a ‘claiming pet’ is covered by insurance.⁴¹⁰

There is mixed evidence on the impact of insurance on pet owner and vet decision making regarding non-routine treatments

- 5.165 We have considered whether insurance coverage could impact pet owner and vet decision making regarding non-routine treatments. The evidence is mixed: while survey evidence indicates that insurance does not impact vet information provision, pet owners’ propensity to engage with information, or the likelihood of taking up non-routine treatments, other evidence indicates that insurance may impact the options that pet owners are given.
- 5.166 Evidence from our pet owners survey indicates that insurance does not significantly impact pet owners’ propensity to engage with information regarding treatment decisions, or pet owners’ experience regarding information provision from their vet.
- (a) Whether or not a pet owner reported having insurance did not affect response rates regarding whether pet owners did their own research on treatment options. This was the case in relation to pet owners’ most recent visit,⁴¹¹ when they were recommended diagnostics,⁴¹² and when they were recommended referrals.⁴¹³
- (b) Whether or not a pet owner reported having insurance did not affect response rates regarding the information that pet owners said they received about treatments. This includes information regarding pet owners’ most recent visit, such as information about potential treatment outcomes, and whether they received a range of complex and simple options and pricing information.⁴¹⁴ It also includes information about diagnostics, such as information about the potential benefits and consequences of the

⁴⁰⁹ Pet owners survey, Q133a.

⁴¹⁰ LVG response to RF13, Q18 [X]

⁴¹¹ Pet owners survey, Q53: 17% of all respondents said that they did their own research on treatment options in their most recent visit. Response rates were similar for respondents that said they were currently insured (17%), recently insured (21%) and uninsured (16%).

⁴¹² Pet owners survey, Q81: 16% of all respondents said that they accepted their vet’s diagnostics recommendation after undertaking their own research. Response rates were similar for respondents that said they were currently insured (16%), recently insured (19%) and uninsured (14%).

⁴¹³ Pet owners survey, Q69: 28% of all respondents said that they did their own research on treatment options after they were recommended a referral. Response rates were similar for respondents that said they were currently or recently insured (31%) and uninsured (22%).

⁴¹⁴ Pet owners survey, Q52cr1, Q52cr2 and Q52cr3.

- Of all respondents, 62% said that they received information about potential treatment outcomes, 37% said that they received a range of options for treatment and 42% said that they received pricing information about each treatment option.
- Response rates were similar for respondents that said they were currently insured (61%, 35% and 40% respectively), recently insured (69%, 35% and 40% respectively) and uninsured (61%, 44% and 45% respectively).

diagnostic tests, the risks associated with not conducting the tests and pricing information.⁴¹⁵

- 5.167 In addition, evidence from our pet owners survey indicates that insurance does not significantly impact overall satisfaction, including on cost. Both in relation to pet owners' most recent visit⁴¹⁶ and in relation to diagnostics,⁴¹⁷ whether or not a pet owner reported having insurance made no difference to self-reported pet owner satisfaction regarding the information and advice they received.
- 5.168 Evidence from our pet owners survey also suggests pet owners with insurance are not more likely to have taken up non-routine treatment than those uninsured: there was no significant difference in the proportion of pet owners who had taken non-routine treatments between those who currently had insurance and those who had not had insurance in the last three years.⁴¹⁸
- 5.169 We have seen some evidence that whether a pet owner has insurance may affect the options that are provided by individual vets, although we note that the supporting guidance to the RCVS Code of Professional makes it clear that 'the existence of animal insurance is no excuse for charging inflated fees'.⁴¹⁹ Our qualitative research with vet professionals found that factors such as whether the owner was covered by insurance did have an impact on the options recommended by some vets.⁴²⁰

⁴¹⁵ Pet owners survey, Q78r1, Q78r2 and Q78r3.

- Of all respondents, 84% said that they received information about the potential benefits and consequences from the diagnostic test(s), 67% said that they were told about the risks associated with not conducting the test and 64% said that they received pricing information about each diagnostic option.
- Response rates were similar for respondents that said they were currently insured (86%, 70% and 64% respectively), recently insured (80%, 60% and 56% respectively) and uninsured (84%, 65% and 67% respectively).

⁴¹⁶ Pet owners survey, Q55br1, Q55br2, Q55br3, Q55br4, Q55br5

- Of all respondents, 80% said they were satisfied with the information or advice they received, 88% were satisfied with the care given, 85% were satisfied with the quality of service they received, 82% were satisfied with the outcome of the visit, and 56% said they were satisfied with the cost of the service.
- Response rates were similar for respondents that said they were currently insured. 80% said they were satisfied with the information or advice they received, 89% were satisfied with the care given, 87% were satisfied with the quality of service they received, 85% were satisfied with the outcome of the visit, and 57% said they were satisfied with the cost of the service.

⁴¹⁷ Pet owners survey, Q85br1, Q85br2, Q85br3, Q85br4, Q85br5

- Of all respondents, 56% said they were satisfied with the information or advice they received, 59% were satisfied with the care given, 58% were satisfied with the quality of service they received, 55% were satisfied with the outcome of the visit, and 46% said they were satisfied with the cost of the service.
- Among those with insurance, 55% said they were satisfied with the information or advice they received, 57% were satisfied with the care given, 56% were satisfied with the quality of service they received, 55% were satisfied with the outcome of the visit, and 45% said they were satisfied with the cost of the service.

⁴¹⁸ The proportion of insured and uninsured respondents who reported taking non-routine treatments in the last two years were 61% and 60% respectively.

⁴¹⁹ See section 9.34 of the Supporting guidance to RCVS Code of Professional Conduct for Veterinary Surgeons (available here: [Practice information, fees and animal insurance](#)).

⁴²⁰ Qualitative research with veterinary professionals, pp.14-15.

Choice of referral provider

Our emerging view on how pet owners choose referral providers

As in the case of choosing a non-routine treatment, choosing a referral practice or specialist provider is a decision likely to be made sometimes in distressing circumstances, where choices are being made about the highest cost veterinary services.

In these circumstances, and based on our review of evidence so far, it appears to us that pet owners may not be receiving or engaging with sufficient information to inform their choice of referral provider. Evidence suggests that pet owners often do not shop around for options – for example, 62% of respondents to our pet owners survey said they did not do any research when they were recommended a referral.⁴²¹ Evidence indicates that there is a range of reasons for this lack of shopping around, including because pet owners are not always provided with a range of options, because they have high levels of trust in their FOP vet and because they may not have sufficient knowledge to compare between the offerings of different referral practices.

Evidence also suggests that, while FOP vets generally provide sufficient information regarding referral treatment risks, outcomes and practicalities, the provision of pricing information for pet owners is delivered inconsistently. These factors may result in consumers not comparing referral providers on price or other factors, leading to weak price competition between them.

Our working paper on **Business models, provision of veterinary advice and consumer choice** considers the impact of this demand-side context, to assess whether vertical integration might be driving more referrals within-group (for example, to LVG-owned referral centres), without offering sufficient choice for pet owners; and whether this might be dampening competition between rival providers of referral services and/or leading to less choice for consumers, and worse outcomes. This other working paper also considers further whether all types of FOP (whether vertically integrated or not) give enough pet owners sufficient information about a range of referral options.

5.170 Pet owners can be referred to another vet provider by their regular FOP, typically for their pet to receive treatments that their FOP is unable to provide (including due to unavailability of a timely appointment). Referral practices or hospitals often have certain specialist clinical expertise or equipment, which may be offered in addition to the services offered by most FOPs.

5.171 In this section, we consider:

⁴²¹ Pet owners survey, Q67.

- (a) background on the current demand for and supply of referral services;
- (b) contextual factors that impact effective pet owner decision making when choosing a referral practice;
- (c) the options that FOPs present to pet owners regarding referral providers;
- (d) the extent to which pet owners shop around for referral providers, and
- (e) the extent of information that FOPs present to pet owners to support informed decision making.

5.172 Our working paper on **Business models, provision of veterinary advice and consumer choice** builds on this demand-side context to assess whether vertical integration is driving more referrals within-group, without offering sufficient choice for consumers. This other working paper also considers further whether all types of FOP (whether vertically integrated or not) give enough pet owners sufficient information about a range of referral options.

Current demand for and supply of referral services

5.173 In our pet owners survey, 6% of respondents said that they had been referred to and visited a vet at a separate referral practice in the last two years. A further 8% said they had been referred to and visited a different vet within their usual FOP in the last two years, and a further 2% said they were recommended a referral in the last two years but did not accept this recommendation. A significant majority of respondents (80%) said that they had not been recommended a referral in the last two years.⁴²²

5.174 In this section, we focus primarily on referrals to a separate provider outside of the FOP. Where relevant, we also discuss ‘within-FOP’ referrals, noting that in some cases, specialist peripatetic vets can visit individual FOPs to provide more complex care or services.

5.175 We set out detailed background on the supply of referral services in our working paper on **Business models, provision of veterinary advice and consumer choice**. In summary, all of the LVGs offer referral services of some capacity, although we understand Pets at Home does not have any practices where referrals make up the [X] of the work (with Pets at Home having sold its referral centres to Linnaeus in 2020).⁴²³

5.176 In total we have identified [X] [110-120] referral-led sites in the UK, including practices that offer only referral services and LVG sites where referrals make up

⁴²² Pet owners survey, Q58. 1% responded ‘I am scheduled to attend a referral visit but this hasn’t happened yet’ and 3% responded ‘Don’t know/can’t remember’.

⁴²³ LVG response to RF12, Q2 [X]

a substantial part of the work. Of the LVGs, IVC and Linnaeus have the most referral-led sites in the UK (with [X] [20-30] and 20 respectively), followed by CVS (9), Medivet (3) and VetPartners (3). We are aware of at least 51 independent referral-led sites in the UK.⁴²⁴

- 5.177 Many other FOPs also accept referrals and the services offered vary depending on the qualifications of vets and the equipment available at the practice. Only individuals available for referral by other veterinary colleagues, with a postgraduate qualification at Diploma level or above, that demonstrate an active contribution to their specialty, have national and international acclaim, and publish widely in their field, are recognised by the RCVS as Specialist vets.⁴²⁵
- 5.178 The limited number of referral centres compared to the number of FOPs may limit pet owners' ability to choose between referral providers, and availability and distance from practices is likely to influence referral choice, particularly where services are required urgently. The number of competing referral centres in different local areas is assessed in our working paper **Analysis of local competition**.

Contextual factors that impact effective decision making when choosing a referral practice

- 5.179 Similar to choosing a non-routine treatment, choosing a referral practice is a decision that might be made in distressing circumstances (when a pet needs significant treatment) potentially with associated time pressures, and where choices are being made about veterinary services that are often more expensive than those provided at FOPs. This is liable to make decision making challenging for pet owners, for the reasons outlined in **Choice of non-routine treatments** above.
- 5.180 Evidence from our pet owners survey indicates that a pet owners' trust in their vet is a key driver of referral centre choice, along with some other less commonly mentioned factors. When asked why they accepted their vet's referral recommendation, most respondents (63%) said that they accepted this recommendation because they trusted the vet. 39% of respondents said that they did so because they 'had no reason not to', while a smaller group (20%) said that they confirmed the recommendation with their own research. 7% of respondents said that they accepted this recommendation because they did not

⁴²⁴ Data is taken from **Table 1.4** in our working paper on **Business models, provision of veterinary advice and consumer choice**. RFI9 data provided by IVC, CVS, Linnaeus, Vet Partners and Medivet; RFI4 data provided by Pets at Home. Data on the number of independent referral centres was obtained by contacting individual referral centres and supplementing with RCVS data where we did not get a response.

⁴²⁵ See RCVS website: [Specialist status - Professionals](#).

know how to get a second opinion, and 7% of respondents said that they did so because they did not feel confident challenging the recommendation.⁴²⁶

- 5.181 Internal documents from LVGs indicate the impact of information asymmetry between pet owners and their vets on referral decisions.
- (a) In 2022 consumer research from an LVG [redacted], 77% of those customers surveyed said that their choice of referral centre location was heavily reliant on the vet's advice.⁴²⁷
 - (b) An LVG [redacted] marketing strategy document for its referral centre, [redacted], notes that 'clients are heavily influenced by their referring vet with little knowledge of referral centres and what options are available or where their pet can be treated'.⁴²⁸
- 5.182 This evidence from LVGs is consistent with that in the CMA qualitative research with pet owners, carried out as part of our market review. The majority of pet owners in this research felt that they did not have the knowledge or expertise to question the referral or the recommendation of referral centre, and none of those interviewed undertook their own research to scope the options available to them.⁴²⁹ We are concerned that this sort of shortcoming in pet owners' abilities to assess information and make choices may distort competition, and may result in vet businesses not being constrained in the way they present information to pet owners, as we might expect in a well-functioning market.

Some pet owners may not be provided with a range of referral options

- 5.183 Evidence we have seen so far indicates that, while vet practices have protocols to support the provision of multiple options for pet owners, this is not reflected in pet owners' experiences.

Are pet owners offered treatment options other than a referral?

- 5.184 We first consider evidence on whether consumers are offered a choice of treatment options other than referral (such as treatment within the FOP or no treatment at all).
- 5.185 Our pet owners survey indicates that the majority of FOP vets provide more than one treatment or diagnostic option to pet owners in referral contexts:
- (a) Of those pet owners that were recommended a referral to another practice, the majority (62%) said their FOP vet also gave them other

⁴²⁶ Pet owners survey, Q69.

⁴²⁷ LVG response to RF13, Q22 [redacted]

⁴²⁸ LVG response to RF13, Q15 [redacted]

⁴²⁹ [Qualitative consumer research with pet owners](#), pp. 36-39.

options for treatment. This includes 44% (of all recommended a referral) that said they were recommended a particular option and 17% that said they were given alternatives without a particular recommendation. A further 19% said that they were given only one treatment option, with the remaining 19% being unsure or requiring a second consultation before referral.⁴³⁰ These results were not significantly different for customers of independent vet practices compared to customers of LVGs.⁴³¹

- (b) Separately, when we asked the same group of respondents whether they were provided with a range of treatment options – including more complex and more simple options, including doing nothing – 51% said they received this information and 26% said that they did not.⁴³²
- (c) Of those pet owners that were recommended a referral within their own FOP, 53% said that they were given other options for treatment.⁴³³

5.186 We have seen internal protocols from some LVGs which exist to guide this interaction, and have heard from vets directly about how these are considered where pet owner preferences exist:

- (a) A guidance document from an LVG [3<] practice outlines how vets who are confronted with a case or treatment that is outside their area of competence should discuss or refer it to a more experienced colleague within the practice in the first instance and discuss with the clients all options from ‘a medical, surgical or financial perspective’, while considering the client’s wishes and the pet’s welfare before making a referral.⁴³⁴
- (b) Evidence from our qualitative research with vet professionals reveals that some LVG vets had been encouraged to make referrals, even where they felt these referrals were not clinically necessary because expertise was available within the practice. While some LVG vets were encouraged to refer to their LVG’s referral centres, most indicated they prioritised the needs of the pet and owner over this request.⁴³⁵

⁴³⁰ Pet owners survey, Q61.

⁴³¹ Pet owners survey, Q61. 61% of LVG customers said that they were given options, compared to 62% of independent customers; 20% of LVG customers said that they were not given options, compared to 19% of independent customers.

⁴³² Pet owners survey, Q63r4.

⁴³³ Pet owners survey, Q61.

⁴³⁴ LVG response to RF11, Q25 [3<]

⁴³⁵ Qualitative research with veterinary professionals, pp. 45-46.

Do vets offer pet owners a choice of suppliers when recommending a referral?

- 5.187 Party submissions and internal documents set out how vets at LVGs approach referral recommendations. In response to our information requests, all LVGs said that they do not have any policies around which referral centres vets may refer to.⁴³⁶ For example:
- (a) All LVGs submitted that practices discuss and agree with customers on the most suitable referral centre.⁴³⁷
 - (b) An LVG [redacted] submitted that the choice of referral centre is 'primarily based upon which centre is likely to provide the best medical outcome and listed a range of relevant factors involved in the decision: ability and experience of vet surgeons, location, urgency, and client circumstances including finances and insurance coverage.'⁴³⁸
 - (c) Another LVG [redacted] submitted that to support informed client decision making, the vet may contact more than one referral centre to obtain estimates and determine which centre can see the case most quickly.⁴³⁹
 - (d) An LVG [redacted] outlined a policy of FOPs presenting a pet owner with a set of referral options, usually recommending one of them, and explaining the recommendation. It also noted that it is a 'collaborative decision' driven by the pet's best interest.⁴⁴⁰
- 5.188 Similarly, in our qualitative research, vets mentioned considering a number of factors including clinical specialism of the referral practice, trust (based on previous referral experience), convenience and price for the pet owner. Some recalled gathering quotes from two different referral providers and passing the choice to pet owners, but none of those interviewed said they encouraged or prompted pet owners to do their own research. Some vets believed pet owners wanted to be given the recommendation by the referring vet, but all vets reported that if a pet owner requested a referral to a specific practice based on their own experience or research, this would be accommodated.⁴⁴¹
- 5.189 Based on our review of LVG internal documents, it appears that vets have clinical freedom to refer to the most appropriate vet or location. We have, however, seen evidence that all vertically integrated LVGs track the extent of outside-group versus in-group referrals, and often have targets around the

⁴³⁶ LVG responses to RF19, Q14 [redacted]; [redacted]; [redacted]

⁴³⁷ LVG responses to RF11, Q40, 41 [redacted]; [redacted]; [redacted]; [redacted]; [redacted]; [redacted]

⁴³⁸ LVG response to RF11, Q41 [redacted]

⁴³⁹ LVG response to RF11, Q41 [redacted]

⁴⁴⁰ LVG response to RF11, Q42 [redacted]

⁴⁴¹ Qualitative research with veterinary professionals, pp. 46-53.

number or proportion of in-group referrals, or appear to guide that an in-group referral centre should be used. In addition, evidence from our qualitative research indicates that vets are sometimes encouraged to refer within-group. This evidence is considered and discussed in detail in our working paper on **Business models, provision of veterinary advice and consumer choice**.

- 5.190 Alongside this evidence, our research with pet owners suggests options of referral centre are not always provided by the referring vet. In our pet owners survey, 62% of those respondents that were recommended a referral to another practice said they were not given a choice of referral centre. 33% of respondents said they were given options to choose from – of these, a minority (11% of overall respondents) were recommended one option in particular. Of those respondents that were recommended a referral within their own FOP, 56% said they were not given a choice of alternative providers, while 24% said that they were given a choice.⁴⁴²
- 5.191 Overall, the evidence we have seen to date suggests that pet owners may be offered a choice of treatments. However, while LVGs may have in place policies about offering referral options, evidence indicates that pet owners are often in practice not offered options of different providers.

Reliance on FOP vets may limit pet owners' comparison of referral options

- 5.192 Evidence from our pet owners survey indicates that most pet owners do not shop around when recommended a referral by their FOP vet. As seen throughout the pet owner customer journey, evidence indicates that vet recommendations are very influential in referral practice choice. In addition, capability was sometimes identified as a barrier to shopping around.
- (a) Of those respondents that were recommended a referral, 28% said they did their own research on the treatments offered and/or looked for alternatives, and only 10% said they found an alternative to use as a result.⁴⁴³
 - (b) The majority (64%) of these respondents said they did not do any research. The most common reason for this was because they trusted their vet's recommendation (47%), some participants said that they felt unable to do so (10%) or didn't know they could (7%).⁴⁴⁴
 - (c) Of those respondents that said they had attended a referral practice (ie excluding those that had not yet attended a practice or went with alternative treatment options), 9% said that they chose a referral practice

⁴⁴² Pet owners survey, Q66.

⁴⁴³ Pet owners survey, Q67.

⁴⁴⁴ Pet owners survey, Q67.

that was not given to them as an option by their FOP vet. 73% said that they attended a practice that their vet gave as an option, including 63% (of all referral respondents) that said they went with the option recommended by their vet.⁴⁴⁵

- (d) Of those respondents that were recommended a referral within their own FOP, an even smaller proportion said they did their own research (21%) and found an alternative (7%), with 69% saying they did not do any research.⁴⁴⁶

5.193 This evidence appears to be consistent with a concern that pet owners only exercise limited choice when selecting a referral centre, even if they are offered options. This leads to weak competitive pressure on those making and offering referrals.

Provision of information may not be sufficient to support informed choices about referrals

5.194 Evidence to date indicates that, while FOP vets generally provide sufficient information regarding referral treatment risks, outcomes and practicalities, the provision of pricing information for pet owners is delivered inconsistently, sometimes due to a lack of awareness among referring vets.

5.195 In addition, evidence we have gathered indicates that pet owners are not always aware of the distinction between FOP vets and specialist vets at a referral centre and the value they provide.

- (a) The British College of Veterinary Specialists (**BCVSp**) submitted that it has concerns with the RCVS's recognition of which vets should be considered specialist vets, due to a lack of regular monitoring of the RCVS list of Recognised Specialists. The BCVSp submitted that this results in vets using the term 'specialist' without RCVS registration, avoiding reaccreditation every five years and avoiding proving their up-to-date expertise. The BCVSp submitted that when seeking a referral this can make it 'very difficult for [pet owners] to inform themselves where to turn, or indeed how much it is reasonable for that further expertise to cost'.⁴⁴⁷ Specialists are discussed in further detail in our working paper on the **Regulatory framework**.
- (b) Discussions with vets from animal charities indicated that there was a general lack of understanding among pet owners of what a specialist vet

⁴⁴⁵ Pet owners survey, Q68.

⁴⁴⁶ Pet owners survey, Q67, filtered by those who were referred to a different vet within their FOP.

⁴⁴⁷ [BCVSp - March 28 2024 CMA Response letter BCVSp](#).

was, and assumptions among many that referral centres are for specialist care provision, despite this not always being the case.⁴⁴⁸

- (c) In another roundtable, a vet said that misinformation about specialist veterinary qualifications can lead to pet owners overpaying for the same treatment at referral centres compared to FOPs, due to perceptions about the quality of care available at hospitals.⁴⁴⁹

5.196 We consider these shortcomings are another factor that may limit pet owners' abilities to make informed decisions and weaken the constraints that would otherwise apply to those making referrals.

Pricing information

5.197 Evidence from LVG submissions and qualitative research describes how some FOP vets approach the provision of referral pricing information:

- (a) An LVG [3<] submitted that estimates are provided to clients for most treatments post-consultation, but that in the case of referrals it is more challenging to be precise on that estimate and often a range is used.⁴⁵⁰
- (b) Evidence from our qualitative research with vet professionals found that communication of referral prices varied across individuals, with prices usually being communicated alongside referral options. Differences in approach were identified in what was included in the estimates provided, in part driven by a lack of awareness from the referring vet of the eventual costs. Some vets spoke of calling referral centres to find out prices for clients, while others requested the referral centre call the pet owner directly. Some vets spoke of providing multiple quotes from different referral practices where pet owners might be concerned about cost.⁴⁵¹

5.198 In our survey, pet owners perceived themselves to be well informed about their choice of referral practice – 79% of those that attended a separate referral practice said they were satisfied with the information they received.⁴⁵² However, it appears to us that pet owners may not be in a strong position to know what other options or information might have been available.

5.199 When asked questions about the information they were given, many survey respondents said that they did not receive price information from their FOP when choosing a referral practice. Many of those respondents who were recommended a referral to another practice (44%) did not receive information

⁴⁴⁸ [Summary of animal charity roundtable discussions](#), paragraph 17.

⁴⁴⁹ [Summary of Edinburgh roundtable discussions](#), paragraph 13.

⁴⁵⁰ LVG response to RF11, Q14 [3<]

⁴⁵¹ Qualitative research with veterinary professionals, pp. 42-46.

⁴⁵² Pet owners survey, Q75r1.

about the likely price of a consultation from their FOP vet,⁴⁵³ and 45% said they were not given information about the likely price of the treatment or diagnostic option(s) they might receive.⁴⁵⁴

- 5.200 Among those who were given information about the likely price of treatment or diagnostics at a referral practice, most said they received price information verbally. A minority said they received a specific quote for their animal written either in email, text or on a consent or invoice form.⁴⁵⁵ Once they had received this price information, a third of respondents said they did not feel that they could decline the option to go to this referral provider.⁴⁵⁶
- 5.201 Of those participants who said they received price information about a referral to another provider, most said they were charged what they expected (either exactly as quoted or within their estimated range). Around a third said they were charged more than they were expecting, and a minority said they were charged less.⁴⁵⁷ 53% of all customers that attended a referral practice (including those who were not provided with a price in advance) said they were satisfied with the price, while 30% said they were unsatisfied.⁴⁵⁸
- 5.202 In addition, our qualitative research with pet owners, carried out as part of our market review, highlighted that many pet owners had experienced not always being provided with price information in advance of specialist consultation at a referral centre.⁴⁵⁹
- 5.203 Further evidence details how referral practices and vet businesses approach the provision of pricing information:
- (a) Guidance from an LVG [3<] provides instructions for internal staff on how and when to give estimates, including the option to use staged estimates. The document includes audit results showing that across three referral practices, the actual price charged was above the estimate provided in advance in 2 out of 20 cases (and below in 7 out of 20).⁴⁶⁰

⁴⁵³ Pet owners survey, Q63r2. Consultation price: 38% yes, 44% no, 13% don't remember, 5% N/A

⁴⁵⁴ Pet owners survey, Q63r3. Treatment/diagnostic price: 32% yes, 45% no, 17% don't remember, 5% N/A

⁴⁵⁵ Pet owners survey. Indicative finding (small base size; n = 66). Q64r1, Written down and specific for my pet: 27/66 Yes, 35/66 No, 4/66 Can't remember. Q64r3 Q64r3 Spoken verbally: 60/66 Yes, 5/66 No, 1/60 Can't remember.

⁴⁵⁶ Pet owners survey. Indicative finding (small base size; n = 66). Q65. 22/66 No, 41/66 Yes, 53/66 Don't know or can't remember.

⁴⁵⁷ Pet owners survey. Indicative finding (small base size; n = 61). Q73, Exactly the same, 12/61; Within the range, 21/61; A little more 9/61; Much more 9/61; A little less, 7/61; Much less 1/61.

⁴⁵⁸ Pet owners survey, Q75r5.

⁴⁵⁹ [Qualitative consumer research with pet owners](#), pp. 36-39.

⁴⁶⁰ LVG response to RF11, Q26 [3<]

- (b) We have also seen guidance for an LVG [§<] referral hospital's administration team which includes instruction to not discuss referral costs with clients in case high estimates put them off uptake of the treatment.⁴⁶¹
- (c) An independent referral centre [§<] submitted that price communication can be a problem for emergency cases. They mention a process of warning referring vets of approximate costs but find this is not always passed on to the client.⁴⁶²

5.204 Overall, this evidence suggests limitations on the price information pet owners have when choosing a referrals provider, which may lessen their ability to make comparisons between options.

Other information

5.205 Evidence indicates that pet owners are sometimes provided with other key information that they would need to decide whether to accept a referral recommendation and choose between referral practices:

- (a) Of those respondents to our pet owners survey that were recommended a referral visit to a vet in a different practice, most (70%) said they were given information from their FOP vet on the potential outcomes of a referral, for example regarding the likelihood of success, side effects, or aftercare implications. Only 11% said they were not provided with this information.⁴⁶³ More than half (54%) said they were informed about how quickly they could be seen at the referral location. 25% said they were not given this information.⁴⁶⁴
- (b) Evidence from an independent group of vet practices [§<] shows that internal protocol on referring clients highlights the importance of discussing the treatment being undertaken with clients and the reason for the referral, and practical considerations of directions to the referral centre.⁴⁶⁵

5.206 Survey evidence indicates that information regarding ownership of referral practices may not always be understood by pet owners. 42% of those respondents who said they went to a referral practice reported that they did not know the ownership of the referral practice.⁴⁶⁶ While the remaining respondents said they were aware of the ownership of their referral practice, it is possible that some of these respondents were incorrect in their understanding because

⁴⁶¹ LVG response to RF11, Q26 [§<]

⁴⁶² Independent response to RF11, Q26 [§<]

⁴⁶³ Pet owners survey, Q63r1. 13% don't remember, 6% N/A

⁴⁶⁴ Pet owners survey, Q63r6. 16% don't remember, 5% N/A

⁴⁶⁵ Independent response to RF11, Q26 [§<]

⁴⁶⁶ Pet owners survey, Q74.

we are unable to cross-check against actual ownership details for referral practices.

Choices regarding medicines

Our emerging view on how pet owners make choices regarding medicines

Guidance to the RCVS Code of Professional Conduct states that vets 'must advise clients, by means of a large and prominently displayed sign, or signs, (in the waiting room or other appropriate area)', that they may ask for a prescription and obtain veterinary medicines from another veterinary surgeon or a pharmacy.⁴⁶⁷ We have not seen evidence of FOPs contravening this regulation. However, our emerging view is that many pet owners are still not aware they can acquire veterinary medicines from third parties other than their FOP, and that some FOPs may not inform pet owners in an effective manner that they can buy medicines from elsewhere. While some pet owners may prefer to buy medicines from their FOP for a variety of reasons, the way in which information may be given could result in consumers not shopping around, leading to weak price competition between retail suppliers of veterinary medicines.

Evidence from our pet owners survey indicates that most pet owners purchase pet medicines directly from their vet practice. As discussed in detail in our working paper on **Competition in the supply of veterinary medicines**, 71% of respondents that had bought ongoing medicines in the last two years said that they usually bought them from their FOP, with 26% saying that they usually bought them from an online retailer or pharmacy. Of those who had bought one-off medicines, 88% said they bought this directly from their FOP, with only 7% saying they bought them from an online retailer or pharmacy. A small minority said that they bought medicines in person from a retailer or pharmacy. We note that some LVGs submitted that shopping online was becoming more common, and that this might vary by the type of medicine.

5.207 Of the pet owners that responded to our survey, 65% said that they were prescribed a medication in the last two years. Of this group, 60% said they received a one-off prescription while 39% said they have repeat prescriptions.⁴⁶⁸ Of respondents with on-going medications, the most typical paying frequencies were: monthly (38%), every 3 months (26%), and every 6 months (17%).⁴⁶⁹

5.208 In this section, we consider:

⁴⁶⁷ RCVS Code of Professional Conduct for Veterinary Surgeons, supporting guidance, chapter 1, paragraph.3

⁴⁶⁸ Pet owners survey, Q90b and Q92.

⁴⁶⁹ Pet owners survey, Q93.

- (a) whether pet owners are aware that they can buy medicines from third parties, and understand the cost saving they might obtain by shopping around;
- (b) the ways in which FOPs inform pet owners that they can buy medicines from elsewhere; and
- (c) other reasons pet owners may have to prefer buying medicines from their FOP.

5.209 We then consider the extent to which pet owners currently shop around when buying medicines. Our working paper on **Competition in the supply of veterinary medicines** considers the impact of this demand-side context and assesses whether the conduct of FOPs may limit the options available to pet owners.

Pet owners may be unaware that they can buy medicines from third parties

5.210 Individual vets [§<] recommend medicines to pet owners on the basis of clinical need,⁴⁷⁰ so pet owners often cannot choose between different medicines. Instead, they decide whether to accept their vet's recommendation to use a particular medicine, and if so where to purchase it. For prescribed medicines that can be administered without a vet, pet owners can purchase them directly from their vet practices or they can choose to request a written prescription from their FOP (for a fee) and buy the medicine elsewhere.

5.211 For medicines that have to be administered by their vet, such as vaccinations, pet owners could in theory purchase them from elsewhere and then take them to their FOP for administering. However, we have seen no evidence indicating that this practice commonly happens. As such, the key decision point for pet owners relating to where to buy these types of medicines is their choice of FOP, which we discuss above. In this section, we therefore focus on prescribed veterinary medicines which can be administered by a pet owner and for which there is a choice of supplier.

5.212 Evidence from our pet owners survey indicates that many pet owners are not aware that they can acquire veterinary medicines from third parties other than their FOP, and that they are therefore likely to purchase medicines from their current vet without considering other options.

- (a) Many respondents said they did not know they could obtain a prescription from their practice and get the medication elsewhere (38%, with 57% saying they were aware of this fact and 4% being unsure).⁴⁷¹ This question

⁴⁷⁰ For example, LVG responses to RF111, Q18 [§<]; [§<]

⁴⁷¹ Pet owners survey, Q91

was asked only of respondents whose pet had been prescribed medication in the past two years. Responses were similar for pet owners at independents (35% unaware) and LVGs (40% unaware).

- (b) Level of awareness was correlated with several factors, including respondents' level of experience as a pet owner,⁴⁷² respondents' opinions on the importance of pet healthcare,⁴⁷³ how recently respondents had visited their FOP,⁴⁷⁴ and the type of animal that respondents owned.⁴⁷⁵ Across all these characteristics, a substantial portion of respondents (at least 38%) reported that they were unaware they could buy medicines from elsewhere.

- 5.213 Of those that did report knowing they could get medicines from a third party, the highest number of respondents (42%) said they were made aware of this via word of mouth (for example from friends, family, and other pet owners), while 35% said they were informed by their current vet practice.⁴⁷⁶
- 5.214 30% of respondents to our pet owners survey said that they compared prices of medicines. Most respondents said that they did not attempt to compare prices (60%), and a further 9% said that they tried to compare prices but could not find information. Neither of these groups of respondents would be aware of any price savings they might obtain by shopping around, even if they were aware that they could purchase medicines from elsewhere.⁴⁷⁷

Some FOPs may not effectively inform pet owners that they can buy medicines elsewhere

- 5.215 Given these results from our pet owners survey, we have considered the information provided to pet owners by FOPs.
- 5.216 To be compliant with RCVS Guidance, vets should inform pet owners that they can obtain written prescriptions and buy veterinary medicines from elsewhere.⁴⁷⁸ Specifically, RCVS Guidance states that vets 'must...advise clients, by means of a large and prominently displayed sign, or signs (in the waiting room or other appropriate area)' that written prescriptions are available

⁴⁷² Pet owners survey, in response to Q91: respondents with less than 10 years of experience were more likely to say they were unaware of this fact (48% compared to 33% for pet owners with more than 10 years of experience).

⁴⁷³ Pet owners survey, in response to Q91: respondents that said their pets' healthcare was less important than that of a family member were more likely (48%) to say that they were unaware of this fact than those who considered it equally or more important than the healthcare of a family member (35%).

⁴⁷⁴ Pet owners survey, in response to Q91: respondents that visited their vet longer ago were more likely to say they were unaware of this fact (49% for people who visited between 1 and 2 years ago; 40% for people who visited between 6 and 12 months ago; and 37% for people who visited less than six months ago).

⁴⁷⁵ Pet owners survey, in response to Q91: cat owners were more likely (46%) to say that they were unaware of this fact than dog owners (36%).

⁴⁷⁶ Pet owners survey, Q91b.

⁴⁷⁷ Pet owners survey, Q98.

⁴⁷⁸ RCVS Guidance, paragraph 10.3

and that clients can also purchase veterinary medicines from another veterinary surgeon or pharmacy.⁴⁷⁹

- 5.217 Given the lack of awareness of this option among pet owners, it appears that this information may not be presented effectively, and often may not be provided to pet owners when they make choices to purchase medicines. We therefore have concerns regarding the effectiveness of this guidance which may be limited by the RCVS's remit and other weaknesses in the regulatory framework. As discussed in our working paper on the **Regulatory framework**:
- (a) Under the regulatory framework for veterinary services, the main role of the RCVS is to regulate entry into the profession and oversee vets' and vet nurses' professional conduct. Their core focus in performing these functions is on protecting animal welfare.
 - (b) The RCVS lacks effective mechanisms for compliance monitoring and has limited statutory powers for enforcement. For example, the RCVS does not actively monitor the sector to identify non-compliance.
 - (c) The RCVS's regulatory remit covers individual practitioners but does not apply to the businesses who sell veterinary services or to non-vet owners of vet practices. This means that the regulator cannot, for example, compel a business to provide information, monitor or control their conduct, nor sanction businesses or practice managers who are not vets.
- 5.218 Our qualitative vets research indicated that individual vets often did not proactively offer prescriptions as an option to pet owners when recommending that they purchase medicines.⁴⁸⁰ This research found that:
- (a) Vets did not tend to proactively offer prescriptions for one-off treatments, because many vets believed that it could be more expensive for pet owners to pay for the prescription fee as well as the medication price on a one-off basis. Vets also did not tend to proactively offer prescriptions for medicines that needed to be administered during the consultation for clinical reasons.
 - (b) For long-term medicines, the majority of vets did discuss prescriptions with pet owners. However, some reported that they did not proactively provide this option as a matter of course unless the pet owner directly asked for one or raised concerns with prices. A few vets mentioned being directly told by their practice manager or senior staff to not offer prescriptions unless asked to do so by the pet owner.

⁴⁷⁹ RCVS, [Guidance on Fair trading requirements](#).

⁴⁸⁰ Qualitative research with veterinary professionals, pp. 30-31.

- 5.219 Most LVGs [redacted] submitted that they did not provide detailed guidance to FOPs regarding the way in which they should provide written medicines prescriptions, beyond noting that FOPs should follow general industry guidance and requirements from the RCVS and VMD.⁴⁸¹
- 5.220 Some LVGs [redacted] submitted that, instead, decisions about the provision of prescriptions for veterinary medicines were made by individual FOPs and individual vets operating with clinical freedom.⁴⁸² We consider that in circumstances where there is no clinical reason for a medicine to be provided by a FOP (for example, where the medicine is not urgent and it can be administered by the pet owner), the decision of whether and how to inform pet owners that they can buy medicines from elsewhere does not have clinical consequences.

Other reasons to prefer buying medicines from FOPs

- 5.221 Evidence from our pet owners survey indicates that some pet owners may prefer buying medicines from their FOP for a variety of other reasons, including confidence in medicine quality, obtaining medicine quickly, convenience, and discomfort in telling their vet they wanted to shop around.
- (a) 36% of those respondents who said they had bought medicines from their practice in the last two years said that they did so because they trusted that the medication from their vet was the ‘most reliable’ or the ‘best quality’.⁴⁸³
 - (b) 31% of the same respondents said they bought from their practice because they needed to purchase the medicine quickly.⁴⁸⁴ We note that pet owners may experience different levels of urgency depending on the context of their medicine purchase. Where medicines are purchased to treat for an urgent condition, obtaining medicines directly from the vet practice is likely to be a better option for most pet owners.
 - (c) 23% of the same respondents said they bought from their practice because they felt most comfortable administering medicine bought from their own vet practice.⁴⁸⁵ We consider these responses could reflect different attitudes, including that pet owners might be nervous about the process of administering medicines (and their vet could provide advice or

⁴⁸¹ LVG responses to RFI11, Q18 [redacted]; [redacted]; [redacted]; [redacted]

⁴⁸² LVG responses to RFI11, Q18 [redacted]; [redacted]

⁴⁸³ Pet owners survey, Q99

⁴⁸⁴ Pet owners survey, Q99.

⁴⁸⁵ Pet owners survey, Q99.

a demonstration of this process), or that pet owners are in general more 'comfortable' with medicines purchased from their vet.

- (d) 14% of the same respondents said they bought from their practice because they did not feel comfortable telling their vet they wanted to purchase medicines from elsewhere.

Choice of out-of-hours (OOH) provider and services

Our emerging view on how pet owners choose OOH providers and services

Under RCVS regulation, all vets working at FOPs are required to be able to physically examine animals under their care on a 24-hour basis. If they are unable to provide this 24-hour care within their own FOP, they must ensure that they have arrangements in place for this service to be provided by a separate provider of OOH services, to which they can send their clients.⁴⁸⁶

Evidence indicates that pet owners needing to choose an OOH provider typically do not shop around. For example, 70% of respondents to our pet owner survey found their OOH provider through their usual veterinary practice.⁴⁸⁷

In part, this could reflect high levels of concentration in OOH services, which we discuss in our working paper on **Analysis of local concentration**. In addition, evidence suggests that pet owners may lack sufficient information from FOPs and OOH providers to enable them to choose whether OOH services are needed, or to choose between OOH providers where options are available. However, contextual factors, such as the urgency with which OOH services are typically required and the fact that OOH services are sometimes viewed as part of a FOP's overall offering, may mean that some pet owners may not shop around for OOH providers even if more information were available and accessible.

The evidence we have seen indicates that pet owners can access basic details about OOH provider locations and opening hours, but other information is limited, such as service range, quality and pricing. We also note that in any case, OOH prices and services are generally not a key driver of choice of FOP, as discussed in **Choice of FOP** above. Combined with the fact that consumers tend to use their FOP or their FOP's affiliate provider for OOH provision, this may indicate that there is not a sufficiently strong customer response for effective competition in OOH services.

5.222 In emergency situations that occur or continue outside the opening hours of their regular FOP, pet owners need to choose whether to take their pet to an

⁴⁸⁶ RCVS, 5. What is the requirement to provide 24/7 in-person care? - Professionals

⁴⁸⁷ Pet owners survey, Q88c.

OOH provider or wait until their own FOP opens.⁴⁸⁸ Separately, pets can receive preplanned OOH care when recovering from surgery or other complex treatments at their regular FOP or at a referral practice. Because many referral practices operate on a 24-hour basis, OOH care at referral practices is typically provided in-house. For that reason, this section primarily focuses on choice of emergency OOH care.

- 5.223 Under RCVS regulation, all vets working at FOPs are required to be able to physically examine animals under their care on a 24-hour basis. If they are unable to provide this 24-hour care within their own FOP, they must ensure that they have arrangements in place for this service to be provided by a separate provider of OOH services, to which they can send their clients.⁴⁸⁹ If a pet owner decides to use OOH care, they may choose to attend their FOP-recommended provider, to which they will usually be directed through an answerphone message or notice on the practice door. Some pet owners could choose to seek out and compare alternative options in their local area. Once they arrive at an OOH provider, pet owners will face a range of choices about treatment.
- 5.224 In this section, we consider several factors related to OOH care, including:
- (a) the extent to which pet owners currently shop around for OOH provider;
 - (b) the information that is available to pet owners, including in relation to location, pricing, hours, service range and service quality, and
 - (c) whether OOH treatment choices differ from regular treatment choices.
- 5.225 Our working paper on **Analysis of local competition** sets out further background on the suppliers of OOH services, including in relation to market shares, leading providers, vertically integrated LVGs and the commercial relationships between FOPs and OOH providers.

Most pet owners do not appear to shop around for OOH providers

- 5.226 From our pet owners survey, we find that only a minority (16%) of pet owners reported attending an OOH service in the last two years.⁴⁹⁰ Of those that used OOH services from a provider that was not their own FOP, most found this OOH provider through their usual veterinary practice (70%).⁴⁹¹ As FOPs typically only provide information about their one affiliated OOH provider (as discussed below), we consider these respondents very likely attended their FOP-recommended OOH provider. A minority of respondents reported finding

⁴⁸⁸ OOH providers can operate on a 24/7 or only out-of-hours schedule. Because FOPs operate around the UK under a range of opening hours, there is no one definition of what times or days comprise 'out-of-hours' service.

⁴⁸⁹ RCVS, [5. What is the requirement to provide 24/7 in-person care? - Professionals](#)

⁴⁹⁰ Pet owners survey, Q87.

⁴⁹¹ Pet owners survey, Q88c.

their OOH provider through their own search (19%) or from friends or family (4%), although the provider found may have been the same one recommended by their FOP in any case.

- 5.227 We also note that around half (48%) of respondents that used OOH services in the past two years reported receiving this service from their regular FOP. The remaining respondents reported that they visited a third-party OOH provider (48%) or received OOH care at their own home from a mobile veterinarian (3%).⁴⁹²

Provision of information may not be sufficient to support OOH care choices, and contextual factors may limit shopping around

- 5.228 The evidence we have seen indicates that pet owners can access basic details about OOH provider locations and opening hours, but other information is limited, such as service range, quality and pricing. Our emerging view is that this lack of information is likely to make it difficult for pet owners to choose whether to take their pet to an OOH provider (or wait until their FOP opens), and to compare between OOH providers. In addition, our emerging view is that pet owners' ability to shop around may be limited by the urgent nature of OOH care choices and by the fact that some pet owners may view OOH services as part of their FOP's overall service offering.

Information provision by FOPs and OOH providers

- 5.229 Like choice of FOP, location is likely to be a particularly key factor in customers' choice of OOH provider. In this regard, we note that RCVS guidance states that veterinary surgeons should seek to ensure that clients are expected to travel 'only reasonable distances', and that what is reasonable will be influenced by local conditions.⁴⁹³ As discussed in our working paper on **Analysis of local competition**, analysis finds that the average catchment area from which a FOP will typically choose an OOH provider is around 25-minute drivetime for urban areas, to around 43-minute drivetime for rural or very rural areas.⁴⁹⁴
- 5.230 The websites and internal documents of the LVGs show that FOPs typically provide basic information about the OOH provider they are affiliated with, including their phone number, location and a link to their website.⁴⁹⁵ RCVS guidance states that FOPs should also inform their clients about the nature of the OOH service provided and the likely initial costs of the OOH

⁴⁹² Pet owners survey, Q88.

⁴⁹³ 3. 24-hour emergency first aid and pain relief - Professionals, paragraph 3.33.

⁴⁹⁴ Full analysis and evidence source details are available in our working paper on Analysis of local concentration. Urban vs rural descriptors are based on ONS classification.

⁴⁹⁵ See, by way of example, the webpage of a randomly selected FOP owned by [CVS](#), [IVC](#), [VetPartners](#), [Linnaeus](#), [Medivet](#) and [Pets at Home](#). In addition, one LVG's [X] terms and conditions state that [X]

service.⁴⁹⁶ However, our recent review of approximately half of all vet practice websites of both LVGs and independently owned vets found that 84% had no pricing information, including of OOH services.⁴⁹⁷

- 5.231 We have seen no evidence that FOPs provide any information regarding alternative OOH providers. We consider this unsurprising given that FOPs either share ownership with their affiliated OOH provider or have a contract with them to provide OOH services.
- 5.232 OOH providers themselves typically provide information on their websites including their location, hours and range of services.⁴⁹⁸ Some OOH providers provide pricing information regarding simple procedures, such as the cost of an initial consultation. However, similar to price lists in FOPs, there is a wide range in the amount of pricing information that is made available to pet owners, largely depending on the policy of individual OOH providers. It appears to us that this variety and a lack of standardisation of service options is likely to make it difficult for pet owners to compare prices between OOH providers.
- 5.233 In addition, a number of large OOH providers do not proactively publish any online pricing information, including Vets Now (owned by IVC) and MiNightVet (owned by CVS).⁴⁹⁹ Two LVGs [X] are by far the largest providers of outsourced OOH services in the UK, with market shares of around 69% and 8%, as discussed in our working paper on **Analysis of local competition**.
- 5.234 Of those respondents to our pet owners survey that used OOH services, most respondents (69%) reported that they had information about the price of these services before agreeing to them (24% of respondents reported that they were told the price only after receiving the services, with 7% unsure or providing another response).⁵⁰⁰ Of those respondents that received price information before agreeing to the service, 7% reported that they found this information themselves before speaking to the OOH (for example on a website), with 87% reporting that they were told about the prices individually by the OOH provider (either on the phone or in person).⁵⁰¹

⁴⁹⁶ 3. 24-hour emergency first aid and pain relief - Professionals, paragraph 3.23.

⁴⁹⁷ Final report of the consultation, p. 30. We conducted this research in February to March 2024.

⁴⁹⁸ For example, an LVG [X] publishes the cost of a standard out-of-hours appointment on the website of each of its 24-hour practices. [X]

⁴⁹⁹ Vets Now: see [Frequently Asked Questions | Payments and insurance | Vets Now](#), which states that cost 'varies depending on the level of treatment your pet requires. We will always give you an estimate of costs before treating your pet.' MiNightVet: See [MinightVet Emergency Care | The Vet Collection](#), which does not contain information on pricing.

⁵⁰⁰ Pet owners survey, Q89.

⁵⁰¹ Pet owners survey, Q89.

Contextual factors that limit propensity to shop around

- 5.235 Choices about emergency OOH care are made in urgent circumstances. This includes pet owners choosing whether to take their pet to an OOH provider or wait until working hours, and pet owners choosing between different OOH providers (where more than one accessible option is available). In addition, and as described above, because RCVS regulation requires all vets working at FOPs to be able to physically examine animals under their care on a 24-hour basis, and if they cannot, to ensure arrangements are in place to send clients to a provider of OOH services, some pet owners may view OOH services as part of their FOP's overall service offering.
- 5.236 In a similar way to choices regarding urgent non-routine treatments, these contextual factors may limit pet owners' ability to seek out alternative providers in the time available and may result in them need to trust their FOP's recommendation.

Treatment choices when receiving OOH care

- 5.237 Once a pet owner arrives at an OOH provider for emergency care, they will typically face similar choices to those described above in **Choice of non-routine treatment**, but with the additional option of waiting until normal business hours to receive treatment from their regular FOP.
- 5.238 Overall, respondents to our pet owners survey that chose treatments at OOH practices reported having relatively similar experiences to those at their regular FOP. Compared to experiences at their regular FOP:
- (a) respondents reported that their OOH practice provided broadly similar care for their pet, with 69% saying it was the same, 16% saying it was better and 11% saying it was worse;⁵⁰²
 - (b) respondents reported that their OOH practice provided a broadly similar quality of information about the treatment they received, with 68% saying it was the same, 15% saying it was better and 12% saying it was worse;⁵⁰³
 - (c) some respondents reported that they felt higher levels of stress when visiting OOH practices, with 25% saying they felt more stress, 50% saying they felt the same and 10% saying they felt less stress;⁵⁰⁴
 - (d) some respondents reported that they felt more pressure to make decisions about treatment at OOH practices, with 17% saying they felt more

⁵⁰² Pet owners survey, Q90r1. N/A/Don't know 4%.

⁵⁰³ Pet owners survey, Q90r2. N/A/Don't know 5%.

⁵⁰⁴ Pet owners survey, Q90r3. 16% N/A/Don't know.

pressure, 55% saying they felt the same and 10% saying they felt less pressure,⁵⁰⁵ and

- (e) respondents reported that they had similar confidence about the decisions they had to make when visiting OOH practices, with 64% saying they felt the same, 11% saying they had more confidence and 17% saying they had less confidence.⁵⁰⁶

5.239 Given that pet owners are often making decisions about unknown and/or urgent medical issues when receiving emergency care, decision making is likely to occur under particularly stressful circumstances in emergency OOH settings. This may mean that the findings set out in **Section 4** above regarding the impact of negative emotions on decision making are particularly relevant in the OOH context.

Choice of cremations provider and services

Our emerging view on how pet owners choose cremation providers

Most pet owners opt for cremation of their pet at the end of its life. The evidence we have seen indicates that pet owners do not shop around for cremation services. For example, 89% of respondents to our pet owner survey said they did not compare different providers when they purchased a cremation.⁵⁰⁷ While there are some positive benefits to consumers purchasing cremations services from the provider with which their FOP has a contract, evidence indicates that pet owners are often not made aware by their FOP that they have alternative options.

In addition, cremations decisions also occur in particularly emotional and distressing situations, and where cremation decisions are made alongside decisions to euthanise, pet owners may feel that they need to make decisions urgently. This indicates that there may not be a sufficiently strong customer response to generate effective competition when FOPs sell cremation services.

5.240 In this section, we consider how pet owners make decisions about animal cremations. It includes:

- (a) an outline of the cremation services available to pet owners;
- (b) our assessment of contextual factors that impact effective decision making regarding cremations, including the fact that cremation decisions occur in

⁵⁰⁵ Pet owners survey, Q90r4. 17% N/A/Don't know.

⁵⁰⁶ Pet owners survey, Q90r5. 64% the same, 11% better, 15% worse, 11% N/A/Don't know.

⁵⁰⁷ Pet owners survey, Q106.

particularly emotional and distressing situations, and whether some cremations decisions can feel time pressured;

- (c) our assessment of the extent to which pet owners currently shop around, and
- (d) our assessment of the reasons for current levels of shopping around, including whether pet owners have sufficient information to inform their decision making and whether there are other barriers to pet owners using third-party crematoria.

5.241 Separately in **Appendix B**, we set out some initial pricing analysis which considers whether FOPs may be charging high mark-ups on the cremation options they present to consumers.

The cremation services available to pet owners

5.242 Most pet owners opt for cremation of their pet at the end of the pet's life. In our pet owners survey, the majority (67%) of those respondents who had a pet that died in the last two years said that their pet was cremated. Over a quarter (27%) said their pet was buried at home and 2% said their pet was buried elsewhere through a company that delivered pet burial services.⁵⁰⁸

5.243 Pet owners can purchase cremation services for their pets either:

- (a) directly from dedicated pet crematoria (these can be independent providers or part of a national crematorium chain),⁵⁰⁹ or
- (b) through their FOPs, referral centres or OOH practices.

5.244 Cremation services are supplied to FOPs (who then sell on to consumers) by two types of firms: independent crematoria or crematoria owned by the LVGs with a much wider footprint. The vertically integrated groups with crematoria are:

- (a) CVS, which owns CVC Pet Cremation Services (**CVC**)
- (b) IVC, which owns Cambridge Pet Cremations (**CPC**) and Petrest,⁵¹⁰ and
- (c) VetPartners, which has owned Pet Cremation Services (**PCS**) since its acquisition in 2021.

⁵⁰⁸ Pet owners survey, Q103; the remaining 5% responded 'other' or 'don't remember'

⁵⁰⁹ Some pet cemeteries offer cremation services in addition to burial options.

⁵¹⁰ Petrest is one crematorium location in Cambridge.

- 5.245 Linnaeus, Medivet and Pets at Home do not own crematoria but have national contracts with [X] ([X]) and [X] ([X] and [X]) to be their [X] cremations provider for most of their vet practices, [X].⁵¹¹ Pets at Home submitted that while [X] is its [X] supplier, some individual FOPs use different local cremation providers for reasons of proximity and service.⁵¹²
- 5.246 Independent practices also report having preferred cremation partners. 60% of independent practices that responded to our request for information stated that they had an exclusive contract with a crematorium.⁵¹³
- 5.247 The prevalence of preferred partner crematoria is consistent with our qualitative vet research, where nearly all vets reported working with one or two crematoria, and most had a single crematorium they always used.⁵¹⁴ IVC and Pets at Home have submitted that although they recommend their FOPs use the Group's preferred partner, the choice of crematorium is still ultimately one for the individual practice.⁵¹⁵ Individual practices could choose an alternative provider due to proximity, or a historical relationship that existed prior to a practice's acquisition by the LVG. For example, [X] submitted that their [X] supplier, [X], is used by [X]% of their FOPs, with the remaining [X]% using other crematoria.⁵¹⁶
- 5.248 Two types of pet cremation services are usually offered to pet owners.
- (a) Communal cremation, where different animals are cremated together, and no ashes are returned to the owner. This option is generally less expensive than individual cremations.
 - (b) Individual cremations, where each animal is cremated individually, and the ashes are returned to the pet owner.
- 5.249 A range of cremation related after-care products are often offered as add-ons. These include paw prints, fur clippings, figurines, urns, caskets and scatter boxes.⁵¹⁷
- 5.250 Cremation prices range significantly depending on the type of cremation and weight of the pet, ranging from £50 for a communal cremation of a small pet to over £300 for an individual cremation of a large pet.⁵¹⁸

⁵¹¹ LVG responses to RF11, Q45,46,56 [X]; [X]; [X]

⁵¹² LVG response to RF11, Q45 [X]

⁵¹³ Analysis of independent vets' responses to RF12, Q12

⁵¹⁴ Qualitative research with veterinary professionals, pp.59-60.

⁵¹⁵ [IVC Issues Statement Response](#), paragraph 5.23; [PAH Issues Statement Response](#), paragraph 16

⁵¹⁶ LVG response to RF13, Q29 [X]

⁵¹⁷ For example, see LVG response to RF13, Q56 [X]

⁵¹⁸ See, for example, MoneyHelper, "[How much does it cost to keep a dog?](#)", "[What is the average cost of owning a cat?](#)".

5.251 Evidence suggests that there has been a recent trend towards pet owners choosing individual over communal cremations. For example:

- (a) Pets at Home submitted that, while communal cremations used to be the norm, more pet owners are now choosing individual cremations and spending more on add-ons.⁵¹⁹ It estimates around 95% of the Vet Group's total FY24 cremation revenues came from individual cremations.⁵²⁰ Pets at Home also stated that retail cremation prices have been increasing at a faster rate for individual cremations compared to communal cremations, with the price of individual cremations increasing by 120% in the last five years, compared to a 20% increase in the price of communal cremations.⁵²¹
- (b) Veterinary surgeons participating in our qualitative research suggested that most pet owners tended to choose individual cremations. A few participants also observed that, in recent years, pet owners were more frequently choosing individual cremation services than they had in the past.⁵²²

Contextual factors impact effective decision making about cremations

5.252 We are considering two contextual factors that may influence pet owner decisions about cremation: first, that cremation decisions occur in particularly emotional and distressing situations; and second, that practices by vet businesses may lead to some pet owners feeling time pressures when making cremation decisions.

Cremation decisions occur in particularly emotional and distressing situations

5.253 In submissions, many parties acknowledged the difficult emotional context experienced by pet owners when purchasing a cremation. LVGs, independent vet practices and crematoria providers provided submissions on the support they offer to pet owners, either through providing access to bereavement trained counsellors (for example, CVS),⁵²³ or by signposting pet owners to bereavement support services such as Blue Cross, The Ralph site and Paws to Listen.⁵²⁴

5.254 Many LVGs and independent FOPs described the importance of being sensitive to the pet owner's needs when providing information on cremation. LVGs and

⁵¹⁹ [PAH Issues Statement Response](#), paragraph 14.

⁵²⁰ [PAH Issues Statement Response](#), paragraph 18.

⁵²¹ [PAH Issues Statement Response](#), paragraph 17-19.

⁵²² Qualitative research with veterinary professionals, pp. 55-56.

⁵²³ [CVS Issues Statement Response](#), paragraph 4.3.

⁵²⁴ Examples include: LVG responses to RFI3, Q56 and Independent responses to RFI1, Q3, 26 [X]; [X]; [X]

independent FOPs submitted that pet owners were likely to require guidance on end-of-life care (consistent with the academic literature), and prefer fewer options to be presented to them:

- (a) VetPartners said that discussing detailed information on alternative cremation providers would be impractical and potentially insensitive to a pet owner's emotions.⁵²⁵
- (b) This view was shared by some independent FOPs [redacted] who submitted that presenting multiple options could create confusion or upset.⁵²⁶
- (c) Dogs Trust, a dog welfare charity, submitted that while it understood many pet owners might not wish to be offered a choice of crematoria during a time of distress, it was important that the range of services offered by the chosen crematorium were explained.⁵²⁷
- (d) One independent crematorium [redacted] submitted that it was easier for pet owners to be sold a service that they would not otherwise choose when they are in a state of grief.⁵²⁸ Another said [redacted] that pet owners were unlikely to seek out information proactively from alternative providers when they were upset, particularly given that prices are not visible online for some crematoria.⁵²⁹

5.255 Academic evidence on the difficulty of making informed decisions in emotional or high-stress circumstances, as summarised in **Section 4**, is particularly relevant for cremations.

- (a) Some studies have found that on the death of their pets, pet owners can experience significant grief, and for some, the intensity of grief is similar to that experienced with a human loss.⁵³⁰ Some pet owners, however, may feel a sense that this loss is not supported or validated by society (including because pet owners may feel that society does not view the loss of a pet as being worthy of grief).⁵³¹
- (b) Literature suggests that vets can play a key role in supporting pet owners through this time by validating their grief,⁵³² and that many pet owners view their vet as the primary resource for after-death body care

⁵²⁵ [VetPartners Issues Statement Response](#), paragraph 6.9.

⁵²⁶ Independent responses to RF11, Q26 [redacted]; [redacted]

⁵²⁷ [Dogs Trust Issues Statement response](#), p.2

⁵²⁸ Independent response to RF11, Q11 [redacted]

⁵²⁹ Independent response to RF11, Q11 [redacted]

⁵³⁰ Chur-Hansen, A (2010), Grief and bereavement issues and the loss of a companion animal: people living with a companion animal, owners of livestock, and animal support workers. Clin Psychol (Aust Psychol Soc)

⁵³¹ Adams CL, Bonnett BN and Meek AH (2000), Predictors of owner response to companion animal death in 177 clients from 14 practices in Ontario. Journal of the American Veterinary Medical Association (JAVMA)

⁵³² Adams CL, Bonnett BN and Meek AH (2000), Predictors of owner response to companion animal death in 177 clients from 14 practices in Ontario. Journal of the American Veterinary Medical Association (JAVMA)

information.⁵³³ Research found a preference from pet owners for general information about after-death care rather than all the details.⁵³⁴ More than half of pet owners in one study said they were concerned about the disposition of their pet's body and dreaded seeing the body of a deceased animal.⁵³⁵

- 5.256 While cremation services are not typical credence goods (because there is no significant information asymmetry regarding quality of service between provider and consumer), the role that vets play in the grieving process mean that pet owners are likely to place a high reliance on their vet's guidance during this time of emotional distress. This reliance may mean that pet owners are unlikely to request or engage with alternative purchasing options.

Cremation decisions are often made under emotional stress, particularly when presented alongside euthanasia decisions

- 5.257 When making decisions about euthanasia, pet owners may feel under time pressure to minimise the suffering of their pet. We understand that depending on the processes of individual vet practices, cremation decisions are sometimes made alongside discussions on euthanasia consent. In these circumstances, we currently consider that pet owners are likely to feel more time pressure in their choices of cremation options (including whether or not to cremate their pet, which provider to use, and what type of cremation to buy).
- 5.258 Internal documents from LVGs and our qualitative vet research indicate that providers offer and discuss cremation and euthanasia services in a variety of ways. While all provide some flexibility in timings, some typically discuss and arrange payment for cremation and euthanasia services together, while others typically separate out these two discussions:
- (a) An LVG [§<] information sheet outlining the euthanasia and cremation process states that reception staff will discuss cremation options and arrange to take payment for both euthanasia and cremation prior to the euthanasia appointment. However, it also notes that a decision does not need to be made straight away if pet owners are unsure of their preferred cremation option.⁵³⁶

⁵³³ Cooney, K, Kogan, L, Brooks, S, Colleen, E (2021) Pet owners' expectations for pet end-of-life support and after-death body care: exploration and practical applications. Topics in Companion Animal Medicine

⁵³⁴ Cooney, K, Kogan, L, Brooks, S, Colleen, E (2021) Pet owners' expectations for pet end-of-life support and after-death body care: exploration and practical applications. Topics in Companion Animal Medicine

⁵³⁵ Adams CL, Bonnett BN and Meek AH (2000), Predictors of owner response to companion animal death in 177 clients from 14 practices in Ontario. Journal of the American Veterinary Medical Association (JAVMA)

⁵³⁶ LVG response to RF13, Q36 [§<]. Note it is unclear if this information sheet is a template used by all [§<] practices, or unique to a particular FOP practice.

- (b) Another LVG's [redacted] guide on handling payment for euthanasia, produced by one of the group's practices, recognises the emotional context for clients and suggests considering taking payment for both euthanasia and cremation in the consultation room before the euthanasia appointment. However, it also states that clients should be afforded one day to consider their options if unsure on the day.⁵³⁷
- (c) CVS submitted that its cremations process allows pet owners some time to consider their options, rather than requiring them to make a decision at the time of euthanasia. Trained bereavement counsellors contact clients in the days after a pet has been euthanised to talk through available options.⁵³⁸ An internal document submitted by an LVG [redacted] showed that having more time to consider options led to pet owners choosing more individual cremations and premium products, with an individual cremation mix of 79%.⁵³⁹
- (d) Our qualitative research with veterinary professionals indicates differences in the way vets sold cremations to pet owners and charged for them. For example, one said they told pet owners that they did not have to decide on the same day, because of the emotional nature of the decision. There were also examples of veterinary surgeons passing pet owners onto crematoria and the crematorium communicating with pet owners directly about prices.⁵⁴⁰ A few vets working at independent practices reported charging pet owners after they had received the pet ashes, while others reported charging pet owners before the cremation took place.

5.259 Noting these contextual factors, we have considered the extent to which pet owners currently shop around for cremation providers.

Most pet owners do not appear to shop around for cremations

5.260 The evidence we have seen indicates that pet owners do not shop around for cremation services.

5.261 Our pet owners survey found that most pet owners that bought a cremation service in the last two years purchased it from their FOP (64%) or OOH practice (8%). An additional 6% said they chose a cremation service based on their FOP or OOH recommendation, while the rest said they chose their cremations provider based on word of mouth (7%), online search (5%) or other methods (8%).

⁵³⁷ LVG response to RFI3, Q15,25,26 [redacted]

⁵³⁸ [CVS Issues Statement Response, paragraph 4.3.](#)

⁵³⁹ LVG response to RFI3, Q28 [redacted]

⁵⁴⁰ Qualitative research with veterinary professionals, pp. 57-58.

- 5.262 Most pet owners in our survey did not report comparing different crematoria. 89% said they did not compare different providers when they purchased a cremation, compared to 9% who said they did.⁵⁴¹ Of those that did not shop around, 49% of pet owners said they did not compare different providers because they followed their vet's recommendation. 38% said they did not want or have a chance to compare prices and 15% said they chose their crematorium based on previous use.⁵⁴²
- 5.263 These findings are consistent with submissions from the LVGs:
- (a) Pets at Home said that based on data since April 2023, approximately 29% of pet owners who had a pet pass away in practice chose to take the pet home and make their own arrangements.⁵⁴³
 - (b) IVC said that c.75% of IVC customers purchased cremation from their FOP rather than purchasing directly from a third party.⁵⁴⁴

Factors that impact effective decision making

- 5.264 Noting that pet owners do not appear to be shopping around for cremation services, we are considering whether pet owners feel informed when choosing options, including whether to purchase a cremation and if so, which crematorium to use. We are also considering whether there are other barriers to using third-party crematoria and/or legitimate reasons for pet owners to prefer using FOP-preferred crematoria.

Pet owners generally feel able to choose between cremation service and home burial

- 5.265 Our review of the evidence to date indicates that pet owners are generally provided with a choice of type of cremation service, such as individual or communal cremation, alongside home burial. LVGs [redacted], [redacted] and some independent vets [redacted] made submissions to this effect.⁵⁴⁵
- 5.266 Our qualitative vet research supported these submissions. Most vets, across both LVGs and independents, offered similar options to pet owners including individual cremation, communal cremation or home burial. They communicated this information in several ways, including during consultations, over the phone, and via a leaflet or booklet. The points at which the information was communicated varied, although most vets said they tried to communicate cost

⁵⁴¹ Pet owners survey, Q106.

⁵⁴² Pet owners survey, Q106c.

⁵⁴³ [PAH Issues Statement Response](#), paragraph 15

⁵⁴⁴ [IVC Issues Statement Response](#), paragraph 7.9

⁵⁴⁵ For example: LVG response to RFI3, Q55 [redacted]; [redacted], paragraph 14; and Independent response to RFI1, Q26 [redacted]

of cremation services before euthanasia took place. Some vets reported not wanting to offer too many options to avoid overwhelming pet owners.⁵⁴⁶

5.267 Our review of LVG internal documents was consistent with these findings. For example:

(a) We reviewed an LVG [redacted] practice manual which had been produced centrally by the group and provided to practices which had recently been acquired. This stated that the difference between communal cremation, where ashes are not returned, and individual cremation, where ashes are generally retrievable, must be made clear to pet owners.⁵⁴⁷

(b) Similarly, some LVGs [redacted] submitted documents (including customer-facing information sheets,⁵⁴⁸ standard operating procedures,⁵⁴⁹ and customer-facing price lists)⁵⁵⁰ that set out the options of individual vs communal cremation.

5.268 Findings from our pet owners survey regarding the availability of information were more mixed. Almost half (47%) of those respondents that had purchased a cremation in the last two years said they received information on a range of options, including more premium packages (such as individual cremation) and more simple options (such as communal cremation, home burial). 19% of respondents that had purchased a cremation said they received no information on cremation options from their vet.⁵⁵¹

Pet owners are not always made aware of their choices regarding alternative cremation providers

5.269 The evidence we have reviewed to date suggests that pet owners are often not made aware by their vet that they can purchase cremation services from somewhere other than the provider with which their FOP has a contract.

5.270 Some parties said that pet owners have the freedom to choose a third-party crematorium if they wish, but that this is unlikely to be proactively raised by the vet. Others said that third-party crematoria are offered as an option. For example:

(a) IVC submitted that vets would not typically volunteer to provide pet owners with information on alternative providers of cremations, as they saw it as a service provided by the FOP practice. It also noted most customers

⁵⁴⁶ Qualitative research with veterinary professionals, pp. 55-60.

⁵⁴⁷ LVG response to RF13, 26 [redacted]

⁵⁴⁸ LVG response to RF13, Q56 [redacted]

⁵⁴⁹ LVG response to RF13, Q56 [redacted]

⁵⁵⁰ For example, LVG responses to RF13, Q56 [redacted]; [redacted]

⁵⁵¹ Pet owners survey, Q105.

generally did not ask for a choice, and that they valued the role their vet practice plays in making arrangements.⁵⁵²

- (b) CVS submitted that pet owners were typically presented with various options, including taking the body away for burial, using a CVS crematorium, or using a third-party crematorium.⁵⁵³
- (c) Some independent FOPs [redacted] submitted that they did not proactively offer a choice of crematorium to pet owners.⁵⁵⁴
- (d) Most independent crematoria [redacted] submitted that pet owners usually approach them directly because of personal recommendations from friends or family, or web searches, and that they are usually not approached due to referrals from FOPs. Some independent crematoria publish pricing and the range of options on websites while others present prices individually to clients over the phone, via email, or face-to-face.⁵⁵⁵

5.271 Our qualitative vet research found that nearly all participants said that their practice used a single crematorium, with which they typically held a contract.⁵⁵⁶

- (a) Most vets reported that pet owners rarely asked to use other cremation providers and did not seek additional choices. A small number of vets said that their practices offered pet owners an alternative provider, usually for reasons of convenience.
- (b) Most vets described this approach as logical and convenient, describing set routines where staff from the crematorium would come to drop off ashes and collect deceased pets at the same time each week.

5.272 This is consistent with evidence we have seen from internal documents from the LVGs. We have observed that information on cremation options and price lists offered to pet owners usually refer only to the FOP's in-house crematorium (where it is part of a vertically integrated LVG), or the FOP's preferred partner crematorium (where the LVG is not vertically integrated). For example:

- (a) An LVG [redacted] guidance document [redacted].⁵⁵⁷
- (b) We have seen several examples of euthanasia consent forms from both LVGs and independents [redacted] that include options for individual and communal cremations, as well as an option to take their pet away for

⁵⁵² [IVC Issues Statement Response](#), paragraph 6

⁵⁵³ [CVS Issues Statement Response](#), Section 4.3, footnote 4,

⁵⁵⁴ For example Independent responses to RF11, Q26 [redacted]; [redacted]; [redacted]

⁵⁵⁵ For example Independent responses to RF11, Q4 [redacted]; [redacted]; [redacted].

⁵⁵⁶ Qualitative research with veterinary professionals, pp. 58-60.

⁵⁵⁷ LVG response to RF13, Q26 [redacted]

burial. There is no reference on the forms to third-party cremation being an option.⁵⁵⁸

5.273 We have also seen some limited evidence that some FOP providers may be providing euthanasia and cremation as a single service. This may make it difficult for pet owners to compare prices between their FOP's cremation service and independent crematoria.⁵⁵⁹ Evidence of this bundling includes:

- (a) VetPartners' statement that most practices would charge an overall fee to the pet owner that will often include the cost of the cremation, the cost of the euthanasia procedure and associated vet time.⁵⁶⁰
- (b) An LVG [redacted] internal document, which provides an example of a [redacted] customer price list that bundles euthanasia and cremation services into a single price.⁵⁶¹

5.274 Other price lists submitted by LVGs [redacted] and independent practices [redacted] have cremation prices split out separately from euthanasia prices.⁵⁶²

There may be other reasons that pet owners prefer to use preferred partner crematoria

5.275 We are also considering whether other factors could lead to pet owners not shopping around when choosing a crematorium.

5.276 First, a number of market participants submitted that providing cremation services via a preferred partner provided benefits to customers, which may limit pet owners' usage of third-party crematoria. For example:

- (a) IVC stated that its vertically integrated model – having a cremation provider in the same group – had benefits because it could ensure a consistently high level of care and service (including customer experience, health and safety and sustainability standards), and because FOPs would have access to competitive prices for cremation services.⁵⁶³
- (b) VetPartners said that requiring FOPs to offer the services of different crematoria would place a significant additional logistical, administrative and operational burden on them.⁵⁶⁴ It submitted that an unintended upward pressure on prices could result, as well as potentially delays in

⁵⁵⁸ LVG response to RF13, Q26 and Independent responses to RF11, Q11 [redacted]; [redacted]; [redacted]

⁵⁵⁹ As noted by [redacted], which stated that setting a single price for both cremation and euthanasia is likely to mean that pet owners feel they have no choice but to purchase the whole service. [redacted]

⁵⁶⁰ [VetPartners Issues Statement Response, paragraphs 6.3-6.4](#)

⁵⁶¹ LVG response to RF13, Q43 [redacted]

⁵⁶² See for example: LVG responses to RF13, Q56 and independent responses to RF11 [redacted]; [redacted]; [redacted]

⁵⁶³ [IVC Issues Statement Response, paragraph 5.2](#)

⁵⁶⁴ Including organising freezers, storage and record-keeping for each provider, as well as arranging additional pick-ups and deliveries with multiple crematoria.

returning ashes and an increased risk of human error in handling multiple crematoria.⁵⁶⁵

- (c) One independent practice [REDACTED] spoke to the importance of developing a relationship and building trust with a preferred crematorium and noted that this relationship was important in enabling them to reassure clients at a difficult time in their lives.⁵⁶⁶
- (d) The BVA submitted that using a crematorium owned by the same group had the potential to bring efficiencies which could financially benefit the client, however they noted that it should be made clear to the client where self-preferencing is occurring.⁵⁶⁷

5.277 Second, some independent crematoria [REDACTED] submitted that LVG FOPs often will not allow the collection of pets by a third-party, or do not allow storage of remains for collection. Some said that this could create a barrier to the use of third-party crematoria because pet owners may be reluctant to transport their deceased pet themselves.⁵⁶⁸ However, we have found no evidence to date in internal documents which shows that LVGs are routinely prohibiting practices from allowing third-party crematoria to collect pets for cremation.

⁵⁶⁵ [VetPartners Issues Statement Response](#), paragraph 6.9

⁵⁶⁶ Independent response to RFI1, Q26 [REDACTED]

⁵⁶⁷ [BVA – Issues Statement response](#), paragraph 42

⁵⁶⁸ Independent responses to RFI1, Q11 [REDACTED]; [REDACTED]; [REDACTED].

6. Consideration of remedies

- 6.1 Should we identify an AEC, we are required to consider which, if any, action we should take to mitigate or remedy this, whether through direct action ourselves or recommendations to others.⁵⁶⁹
- 6.2 On 9 July 2024 we set out in our Issues Statement potential remedies we were considering and invited views on those early remedy proposals. We have considered submissions that were made to us in response to the Issues Statement and are at the early stages of further developing our thinking on possible remedies, and/or a possible remedies package. We intend to publish a working paper in Spring 2025, setting out our emerging views on possible remedies and inviting written comments.

⁵⁶⁹ Enterprise Act 2002, section 134(4).

7. Responding to this working paper

- 7.1 Any submissions must be provided no later than **5:00pm on Thursday 27th February 2025** by emailing: VetsMI@cma.gov.uk.
- 7.2 We intend to publish all responses from businesses and other organisations on our case page except those marked as confidential. Please clearly highlight any confidential information in your submission and provide a non-confidential version of your submission for publication.
- 7.3 We may decide to publish anonymised submissions from individuals on our case page. Please clearly mark your submission as confidential if you do not want it to be published and let us know if you would prefer not to be named.
- 7.4 We will redact, summarise, or aggregate information in published reports where this is appropriate to ensure transparency whilst protecting legitimate consumer or business interest. While the information you provide will primarily be used for the purposes of this market investigation, where appropriate, we may also use information provided as part of this consultation in relation to the CMA's other functions. For example, we may share your information with another enforcement agency (such as local Trading Standards Services) or with another regulator for them to consider whether action is necessary.
- 7.5 Personal data received in the course of this consultation will be processed in accordance with our obligations under the UK GDPR, the Data Protection Act 2018, and other legislation designed to protect individual privacy.

8. Appendix A: Consumer characteristics

- 8.1 Among UK pet owners, there is a range of characteristics likely to affect demand for veterinary services, and potentially impact pet owners' ability to engage with options and make informed choices. We set out some of these key characteristics below and note some of the ways in which they might impact decision making.
- 8.2 In general, evidence from our pet owners survey and public resources indicate that pet ownership is spread across a range of demographics. For example, pet ownership is spread across both rural and metropolitan locations (as set out below); and across a range of other demographic splits including age,⁵⁷⁰ gender⁵⁷¹ and financial situation (as set out below).⁵⁷²
- 8.3 In internal documents from some LVGs [redacted] we have seen evidence of market research and of customer statistics which demonstrate the spread of pet ownership across age and financial situation.⁵⁷³ We have seen evidence that some LVGs [redacted] may use this information to segment their customer base,⁵⁷⁴ with some of them using different marketing strategies for different consumer characteristics.⁵⁷⁵
- 8.4 Below, we consider a number of factors that may impact pet owner decision making, namely location, financial literacy, financial situation, reason for having a pet and level of experience owning a pet.

Location

- 8.5 Where a pet owner lives will affect their choices and options available when making decisions about veterinary services. Because competition occurs on a local basis, pet owners in different local areas may or may not have a choice of FOPs, referral providers, OOH providers and crematoria, as discussed in detail in our working paper on **Analysis of local concentration**.
- 8.6 UK pet owners live across both rural and metropolitan areas. While the majority (75%) of respondents to our pet owners survey lived in urban areas, there were almost twice as many respondents from rural areas (25%) as a proportion of the

⁵⁷⁰ Age distribution in the pet owners survey was: 5% 18-25, 19% 25-34, 19% 34-44, 19% 45-54, 20% 55-64; 13% 65-74, 4% 75+.

⁵⁷¹ Gender distribution in the pet owners survey was 68% female, 30% male, 1% other or prefer not to say.

⁵⁷² In addition to our survey evidence set out below, the [National Dog Survey](#) conducted in 2023 received a mix of male and female respondents, respondents of different ages, respondents from all regions in the UK, and respondents from different sized and different types of households. Further, the RVC VetCompass website has an [interactive demographic resource](#) which presents the numbers of cat and dogs in each of the four nations of the UK, as well as in different areas of England. Numbers of both species are high across each of the locations.

⁵⁷³ For example, LVG responses to RFI3, Q22 [redacted]; [redacted]

⁵⁷⁴ For example in a document submitted in RFI3, Q15 [redacted]

⁵⁷⁵ For example in LVG responses to RFI3, Q16,18,24,25 from 2023 [redacted] uses 'new pet owners' as one of its customer profiles: [redacted]. Response to RFI3 Q18 [redacted]; [redacted]

total number of people in those areas in the UK (16%).⁵⁷⁶ This potentially indicates higher pet ownership rates in rural areas, although we note that it does not take into account any systematic differences in survey participation between people living in rural and urban areas. In consumer research conducted on behalf of an LVG [§<], [§<].⁵⁷⁷

Financial literacy

- 8.7 We consider the education level and financial literacy of a pet owner may impact their decision making. For example, it could affect how confident they feel in their interactions with vets and how willing or able they are to have conversations about prices. A lack of financial literacy can also impact a pet owner's ability and willingness to engage in price comparisons, for example when choosing a FOP or choosing whether to subscribe to a pet care plan.
- 8.8 Pet owners, similar to consumers in general, have a wide range of financial literacy, including many with a low level of financial literacy. In particular:
- (a) Over 10% of adults in each of England and Wales, Scotland and Northern Ireland have no qualifications.⁵⁷⁸
 - (b) According to a 2019 OECD survey, around 24% of English adults had skills equivalent to or lower than Level 1, indicating they could only complete tasks involving basic mathematical processes in contexts where the mathematical content is explicit.⁵⁷⁹
 - (c) According to a 2018 study on UK financial capability by the Money Advice Service, 52% of UK adults said they received a meaningful financial education in school, at home, or in other settings. 47% did not feel confident making decisions about financial products and services, and 61% did not focus on the long term when it comes to money⁵⁸⁰

Financial situation

- 8.9 The financial situation of pet owners in the UK varies across income bands and in terms of perceptions of financial stability.

⁵⁷⁶ Based on the sample post-codes, 25% of respondents to our pet owners survey lived in rural areas, compared to around 16% of the total UK population. [UK urban and rural population 2022 | Statista](#), which estimated that 56.52 million people live in urban areas, compared to 10.45 million people in rural areas. We note that this indication does not take into account any systematic difference in participation to our survey between people living in rural and urban areas.

⁵⁷⁷ LVG response to RF13, Q15 [§<].

⁵⁷⁸ [Education, England and Wales - Office for National Statistics; Home | Scotland's Census; NI: IN PROFILE | Northern Ireland Statistics and Research Agency.](#)

⁵⁷⁹ OECD (2019), [Skills Matter: Additional Results from the Survey of Adult Skills](#), Annex A, Table A2.3. [Adult numeracy skills | OECD.](#)

⁵⁸⁰ [Key statistics on UK financial wellbeing and numeracy - FinCap](#)

- (a) Respondents to our pet owners survey self-reported a range of household incomes. 36% had household incomes between £32,000 and £74,999. There were also significant proportions with a lower yearly income (3% with less than £10,000, and 12% between £10,000 and £20,999, and with a higher yearly income (8% between £75,000 and £99,999, and 8% over £100,000).⁵⁸¹ Similarly, the survey captured a variety of participants' perceptions of their own income. These included a minority that reported finding their financial situation 'very difficult' or 'quite difficult' (12%), and a majority that reported they were 'doing alright' or 'living comfortably' (62%).⁵⁸²
- (b) Internal documents from several of the LVGs contain information demonstrating the difference in the financial situation of UK pet owners. For example, in market research conducted on behalf of an LVG [redacted].⁵⁸³ An internal document from another LVG [redacted] containing analysis of a 2022 customer survey showed the varying financial situation of its customer base by mapping customer segments to household income, with all income bands represented.⁵⁸⁴

8.10 Pet owners' ability to pay may limit their willingness to accept vet recommendations, particularly for expensive treatments. However, there is some evidence that consumer decision making regarding treatment intensity is relatively steady across income bands. We consider the impact of income distribution in detail in the **Choice of non-routine treatment** section above.

Reason for having a pet

8.11 There are different motivations for pet ownership. Many people acquire pets for companionship, and many view their pet as part of the family. In our pet owners survey, a small number of pet owners reported relying on highly trained pets for vital assistance – around 1% of respondents reported owning trained service animals.⁵⁸⁵ Many pet owners reported relying on their pets for more general emotional and/or physical support – around 87% of respondents reported that their pet 'provides emotional support (eg companionship, comfort)', 72% reported that it 'helps reduce stress or anxiety', and 48% reported that it

⁵⁸¹ Pet owners survey, Q139A

⁵⁸² Pet owners survey, Q139. We note that financial status can be considered a sensitive topic for participants to share. This can introduce bias in reporting, particularly within lower income ranges and for participants that have a negative perception of their financial situation.

⁵⁸³ LVG response to RF13, Q15 [redacted]

⁵⁸⁴ LVG response to RF13 [redacted]

⁵⁸⁵ Pet owners survey, Q135. Across the UK, there are over 7000 'assistance dogs', which are highly trained to support disabled people and people with medical conditions in a variety of ways ([Assistance Dogs UK - ADUK](#)). This is around 0.05% of the 13.5 million dogs in the UK, as estimated by [UK Pet Food](#).

'supports my physical health (eg exercise, mobility)'.⁵⁸⁶ Other evidence supports these responses, including:

- (a) In market research conducted on behalf of an LVG [redacted], [redacted].⁵⁸⁷
- (b) In response to a PDSA survey, 91% of pet owners agreed that owning a pet improved their lives, with 88% feeling that owning a pet made them mentally healthier and 69% agreeing that pet ownership made them physically healthier.⁵⁸⁸

8.12 Certain reasons for owning a pet could influence pet owner decision making and might increase vulnerability. Where a pet is a necessity rather than a choice, such as for an assistance dog owner, pet owners may feel an increased need to provide urgent or comprehensive care, and potentially to comply with vet recommendations.

Level of experience of owning a pet

8.13 UK pet owners have a range of experience owning pets, from new pet owners through to owners with several pets or owners who have experienced the lifecycles of many pets.

8.14 In response to our pet owners survey, most respondents reported having over a decade of experience (62%). 24% reported having four to 10 years of experience and 14% reported having less than four years of experience.⁵⁸⁹

8.15 In its 2024 animal wellbeing report, PDSA found that 38% of owners surveyed were 'new' species owners (meaning their current pet was their first experience of owning that species), and 22% were 'new' pet owners (meaning they had not owned any pet before as an adult).⁵⁹⁰ In market research commissioned by an LVG [redacted].⁵⁹¹

8.16 Three LVGs [redacted] submitted that there has been an increase in pet ownership since the Covid pandemic. One of these LVGs [redacted] noted many of these were new, first-time pet owners who were in the process of learning how to manage the commitments and care needed to own pets.⁵⁹² UK Pet Food's 2021 survey found that there was significant growth in pet owners since the Covid pandemic,⁵⁹³ while an RCVS survey exploring the impact of the Covid

⁵⁸⁶ Pet owners survey, Q135.

⁵⁸⁷ LVG response to RFI3, Q22 [redacted]

⁵⁸⁸ [UK pet populations of dogs, cats and rabbits - PDSA](#)

⁵⁸⁹ Pet owners survey, Q4.

⁵⁹⁰ [UK pet populations of dogs, cats and rabbits - PDSA](#)

⁵⁹¹ LVG response to RFI3, Q15 [redacted]

⁵⁹² LVG responses to RFI1, Q1 [redacted]; [redacted]; [redacted]

⁵⁹³ [New Pet Population Data released | UK Pet Food](#), in which 11% of pet owners surveyed stated their pet was new since the pandemic.

pandemic on vets found that most respondents had seen an increased in caseload due to new animal ownership.⁵⁹⁴ We note, however, that a 2022 PDSA survey found no significant increase in the UK pet population or pet acquisition levels between 2020 and 2022.⁵⁹⁵

- 8.17 We have seen evidence from some internal documents that indicates that some LVGs [X] may use [X] when they segment their current and prospective customer base,⁵⁹⁶ with new pet owners being prioritised in marketing efforts⁵⁹⁷ and being perceived to be influenceable.⁵⁹⁸

⁵⁹⁴ RCVS (2022), Impact of the Covid-19 Pandemic on Veterinary Surgeons, pp. 27-28. [Impact of the Covid-19 Pandemic on Veterinary Surgeons - Professionals](#)

⁵⁹⁵ [pdsa-paw-report-2022.pdf](#) pp.7-8

⁵⁹⁶ See for example LVG responses to RF13, Q15,16,18,24,25 [X]; [X]

⁵⁹⁷ LVG response to RF13, Q15 [X]

⁵⁹⁸ See for example LVG response to RF13, Q18 [X]

9. Appendix B: cremations mark-ups analysis

- 9.1 We are considering whether FOPs and referral centres may have the ability to charge high mark-ups on the cremation options presented to pet owners, because customers are unlikely to shop around or switch away in response to high prices. While our analysis to date does not give a complete measure of the profit earned by FOPs or referral centres and overstates the 'bottom line' margins earned, it suggests that there are significant differences between the prices paid by pet owners and the prices paid by LVGs to crematoria.
- 9.2 We requested certain data and information from LVGs⁵⁹⁹ on:
- (a) the prices charged *by* LVG FOPs and referral centres to pet owners for cremation services; and
 - (b) the prices charged *to* LVG FOPs and referral centres for the supply of cremation services by crematoria.⁶⁰⁰
- 9.3 In some cases, LVGs may offer the same list price for a cremation as the list price from going direct to the crematoria (for example, this is the case at [redacted]⁶⁰¹ and [redacted]⁶⁰²). The scope for pet owners to save money on cremations therefore depends on whether cremation providers offer discounts off their list prices from direct purchases or whether there are lower cost cremation providers than that offered by pet owner's FOP or the referral centre.
- 9.4 LVGs often negotiate discounts from crematoria and retain the difference between the price paid by the pet owner and the price the LVG pays to the third-party cremation provider. The LVGs told us this difference covers the costs associated with a range of services and activities carried out by the LVG:
- (a) An LVG [redacted] told us that FOP staff provided support and guidance to pet owners through the process and made arrangements on behalf of the pet owner, as well as providing safe storage of deceased pets.⁶⁰³
 - (b) An LVG [redacted] told us the difference covered staff time discussing options with the pet owner and various associated services including handling, body preparation and storage, as well as a profit margin.⁶⁰⁴
 - (c) An LVG [redacted] told us that FOPs took over administrative responsibilities of fulfilling the various stages of the cremation process from the pet owners

⁵⁹⁹ We also intend to request similar data from a sample of independent veterinary practices and conduct a similar analysis on the basis of this information.

⁶⁰⁰ LVG RF17 responses, Q8-9,11.

⁶⁰¹ [redacted] LVG response to RF14, Q9 [redacted]

⁶⁰² [redacted], paragraph 20; [redacted]

⁶⁰³ [redacted] LVG response to RF17, Q9

⁶⁰⁴ [redacted] LVG response to RF17, Q9

and this required significant staff time. It also told us that FOPs incurred costs associated with the purchase and running of safe storage facilities.⁶⁰⁵

- (d) An LVG [X] told us that significant staff time was spent consulting with pet owners on cremation options and that FOPs carried out additional activities related to the storage of the pet.⁶⁰⁶

9.5 In assessing the scale of the difference between the price paid by the pet owner and the price the LVG pays to the third-party cremation provider, we have focused on the prices charged for the cremation of a medium-sized dog.⁶⁰⁷

9.6 The tables below show the difference between the prices charged by each LVG and the price charged to each LVG for: (i) the individual cremation of a medium-sized dog, and (ii) the communal cremation of a medium-sized dog.

Table 9.1: **Percentage difference between price charged by and to LVG FOPs** (individual cremation of medium-sized dog)

Party	Price charged by LVG to pet owner	Price charged by crematoria to LVG	Difference retained by LVG (£)	Difference retained by LVG (expressed as % of price paid to crematoria)
[X]	[X]	[X]	[X]	[X]
[X]	[X]	[X]	[X]	[X]
[X]	[X]	[X]	[X]	[X]
[X]	[X]	[X]	[X]	[X]
[X]	[X]	[X]	[X]	[X]
[X]	[X]	[X]	[X]	[X]

Source: CMA analysis and LVG responses to RF17, Q8.

Notes: The figures presented are the median prices charged across sites included in response to RF17, Q8 (latest available prices at the time of the request). The figures are calculated by filtering the LVG's responses to RF17, Q8, as follows: (i) include dogs only; (ii) remove small, large and very large dogs from the population; and (iii) include individual cremations only. For [X] and [X], the CMA also removed those rows which included a nil response for "The latest price including VAT (in £) charged to you by third party provider".

Table 9.2: **Percentage difference between price charged by and to LVG FOPs** (communal cremation of medium-sized dog)

Party	Price charged by LVG to pet owner	Price charged by crematoria to LVG	Difference retained by LVG (£)	Difference retained by LVG (expressed as % of price paid to crematoria)
[X]	[X]	[X]	[X]	[X]
[X]	[X]	[X]	[X]	[X]
[X]	[X]	[X]	[X]	[X]
[X]	[X]	[X]	[X]	[X]
[X]	[X]	[X]	[X]	[X]
[X]	[X]	[X]	[X]	[X]

⁶⁰⁵ [X] LVG response to RF17, Q9,

⁶⁰⁶ [X] LVG response to RF17, Q9,

⁶⁰⁷ Generally considered to be between 10kg and 25kg, according to the LVG's responses to RF17. We note that CVS, IVC and VetPartners own crematoria sites and, accordingly, not all cremation services provided by these parties are supplied via a third-party.

Source: CMA analysis and LVG responses to RF17, Q8.

Table 9.3 Notes: The figures presented are the median prices charged across sites included in response to RF17, Q8 (latest available prices at the time of the request). The figures are calculated as above, updating the filtering to include communal cremations only.

- 9.7 There were some limitations to the data responses we received, which restricted our ability to accurately complete this analysis for each LVG:
- (a) One LVG [X] told us that it does not engage directly with third party cremation providers in Great Britain, but does so in Northern Ireland.⁶⁰⁸ There appear to be a number of anomalies in the data provided by the LVG [X] in respect of its arrangements in Northern Ireland, which suggests that in many cases the prices charged by the LVG [X] to pet owners are *lower* than the prices charged by the third party provider to the LVG [X] (ie the LVG [X] would make a loss from its third party arrangements). We intend to follow up with the LVG [X] to understand whether this is correct.
 - (b) [X]' response stated that information was not available on the prices charged by third-party crematoria on an individual service-by-service basis in a way that could be matched to the cremation services ultimately provided to its customers.⁶⁰⁹ We intend to follow up with [X] to see what alternative analysis it can produce that would be equivalent to that provided by other LVGs.
- 9.8 We note that this analysis is indicative in nature, as it is based on a simple calculation of the difference between the prices charged *by* the LVG practices, and the price charged *to* the LVG. This does not take into account that the LVGs incur other costs in organising a cremation on behalf of their clients, as set out in paragraph 7.20 above. Nonetheless, we currently consider the following:
- (a) Submissions from the LVGs did not highlight differences in costs incurred, depending on whether the pet owner chooses an individual or communal cremation. We consider that the costs incurred by the LVG FOP or referral centre, which relate primarily to staff time (discussing options, supporting the pet owner and carrying out administrative activities) and safe storage of the deceased pet, are likely to be similar whichever option the pet owner chooses. While there may be greater staff time associated with individual cremations in some instances (eg where the ashes are returned to the site for collection by the pet owner), these differences are, in our view, unlikely to be significant. In that context, we note the considerably greater sums

⁶⁰⁸ [X] LVG response to RF17, Q8

⁶⁰⁹ [X] LVG response to RF17, Q8

(around three times as much in £ terms) retained by the LVGs per individual cremation than per communal cremation.

- (b) There appear to be considerable differences between the retail prices charged by the LVGs (£180-290 for individual cremation; and £50-90 for communal cremation), despite the costs charged to LVGs being very similar. In our view, this evidence is indicative that some LVGs may be charging considerably more than it costs to offer cremations.

9.9 We also note that [redacted] submitted that cremation services should be viewed in a wider context of related services provided at the end of a pet's life, for example euthanasia consultations, storage of bodies, and facilitating the collection of bodies and ashes. It noted that an overall fee would be charged to pet owners including not only the cost of the cremation, but also the cost of these related services. It also queried the use of the term mark-ups, stating 'the fees charged are not 'mark-ups' but a composite price that covers several services provided'.⁶¹⁰

9.10 We are sensitive to these points but repeat our view that the services provided by the LVG in connection to individual and communal cremations are likely to be materially the same, and that LVGs nonetheless retain significantly greater amounts per individual cremation. As to the latter point regarding the use of the term 'mark-ups', we use this term simply as shorthand for the difference between the price paid by the pet owner and the price the LVG pays to the third-party cremation provider. We recognise that the end price paid by the pet owner covers services provided by both the LVG and the third-party cremation provider.

9.11 We also recognise that the figures set out in our analysis are, for this reason, not a complete measure of the profit earned by LVGs when organising cremations on behalf of pet owners, and overstate the 'bottom line' margins earned when providing these services.

9.12 Nonetheless, we consider that such large differences between the prices paid by the pet owner and the prices paid by LVGs to crematoria (especially in respect of individual cremations) are potentially concerning, given that this is a service sold to people at a particularly vulnerable time, where they are unlikely to be able or willing to compare prices or make calculated decisions about options.

9.13 As next steps, we plan to:

- (a) follow up with two LVGs [redacted] and [redacted];

⁶¹⁰ [VetPartners Issues Statement Response](#) – paragraphs 6.3 to 6.4.

- (b) carry out similar analysis for other types of cremation services (for example cats or other sizes of dogs);
- (c) explore price dispersion between the LVGs, as well as between different sites owned by the same LVG; and
- (d) explore whether we are able to obtain similar information from independent FOPs (although not likely from a representative sample).