

## **VETERINARY SERVICES FOR HOUSEHOLD PETS MARKET INVESTIGATION**

### **Summary of hearing with CVS Group plc held on 25 February 2025**

#### **Introduction**

1. CVS welcomed the CMA's recognition of the commitment of vets and veterinary nurses in its published working papers.
2. CVS submitted the investigation has significantly impacted veterinary professionals due to the scrutiny on the sector, so it is important that the investigation concludes in a timely manner.

#### **Potential remedies**

3. CVS said it would like to take the opportunity to discuss potential remedies to improve transparency on consumer choice when choosing FOP and treatments. In particular:
4. CVS supported publication of a uniform price list by all veterinary practices to help clients make comparisons. CVS clarified that it did not envisage stipulating what should be the core components of pet care plans; a variety of health plan options was good for competition. A price list could help customers compare the services provided in a pet care plan.
5. CVS said that a mandatory Practice Standards Scheme (PSS) would help consumers make choices by providing practice accreditation for all FOPs. CVS supported the RCVS being given more powers to regulate. CVS welcomed further discussions on funding allocation, and what businesses might be expected to contribute to improve regulation (while noting that it was likely that such costs would be passed on to consumers).

## **Choice of care**

6. CVS said pricing was an important part of determining a client's choice of FOP. CVS said that the CMA's focus on increased treatment prices did not capture the increase in treatment quality and services available, which it considers directly benefits consumers.
7. CVS emphasised the benefits of corporate ownership to the sector, such as in pay and employment policies, opportunities for training and career progression, and investment.
8. CVS highlighted in particular its investment in staff (eg a better salary, work-life balance, training and offering a more attractive workplace) driving retention and attraction of talent, and veterinary medical equipment improving quality of care.
9. CVS noted the CMA had not identified evidence of higher self-preferencing by LVGs. CVS stated it focused on long-term investment. CVS said its clinicians were focused on providing quality care and are not given any financial incentives.
10. CVS told us its Patient Care Index (PCI) tells CVS how well practices are investigating and treating clinical conditions. There is no upper or lower limit for PCI scores, but outliers are a concern for CVS as a potential indicator that FOPs may not be offering the right range of treatments and prices in a contextualised way. CVS said that, for example, an outlier 'high' PCI score may reflect a variety of underlying causes that could include advice not being given in a contextualised way, therefore an outlier high PCI is not necessarily desirable.
11. CVS said that the referral options given to clients at FOPs are driven by a variety of factors, for example availability of a specialist, or the relationship the referring clinician has with the referral option they are providing – which may be important from a clinical trust perspective.

## **Veterinary medicines**

12. CVS noted that naming the active ingredient of a POM-V medicine is not a regulatory requirement for written prescriptions; listing the medication name along with the active ingredient could allow customers to compare the brands of veterinary medicines that have the same active ingredient.
13. CVS acknowledged that a written prescription using the active ingredient could result in additional discussion with the dispensing pharmacist, as

available formats, sizes etc differed between medicines utilising the same active ingredient. CVS noted vets often encourage written prescriptions for pets on long term medications.

14. The preferred list of medicines (applicable where there may be more than one product suitable for treating a condition) for retail in CVS FOPs is based on the products CVS' Clinical Advisory Committee select as being the most clinically appropriate, within the framework of the veterinary medicines cascade. The procurement team then subsequently and separately negotiate commercial terms. This approach helps CVS meet the volumes of sales to obtain good rebates. CVS said that clinical decision-making is not impacted by the preferred list, as vets can choose to order outside it.
15. CVS approach manufacturers for an agreement where it has high volumes. Products made by the manufacturers can be agreed by CVS as own label products. The advantage of own label is that CVS can manage the logistics for the product to ensure a consistent supply. CVS recognised concerns regarding customers' ability to compare between brands in respect of own label products, and suggested transparency measures regarding the active ingredient could address those concerns.
16. CVS did not think medication pricing could be disaggregated from other services since customers approached veterinary pricing as a whole, integrated product: a consultation is always required to prescribe a veterinary medicine. Any change to that approach would need to be sector-wide.

## **Out of hours**

17. CVS considered the increase in dedicated out of hours (OOH) services to be a positive development for the sector. CVS said it had difficulty recruiting junior veterinary surgeons without using an OOH service and that the increase in services allow veterinary surgeons with a better quality of life.
18. CVS said using dedicated OOH services costs significantly less than if clinics were to run these services themselves.

## **Crematoria**

19. CVS said clients usually have an idea of what they want to do with their pet when they have died, however given more time using the "DPC" process at CVS crematoria, more clients choose private cremation than those who make the decision under the emotional pressure of the euthanasia consultation. CVS gives clients three options: using the CVS crematorium; a third-party

crematorium; or taking their pet home to bury in the garden. CVS said it does not have incentives for staff to recommend the CVS crematorium.<sup>1</sup>

20. All crematoria prices are listed clearly on the crematoria's website. Pricing (from crematoria to FOP) works by the cost of the type of cremation (individual vs communal) plus a rebate.

## **Regulation**

21. CVS supported changes to the regulatory framework, in particular, as an opportunity to for future expansion of the veterinary nursing role to enable veterinary nurses to do more.
22. CVS also supported the RCVS broadening its scope to have more formal powers to regulate corporate veterinary entities.
23. CVS said it publishes its complaint processes in their buildings and on websites. CVS has two stages in its complaints process. CVS said that stage one complaints are resolved locally and not recorded centrally. Stage two complaints are overseen by a complaints administrator whose role is to make sure that the stage two complaints are correctly administered. CVS told us it wants to implement a similar oversight process for stage one complaints.
24. CVS told us it would support all veterinary practices being required to have a clearly defined customer redress process that was easily accessible, and also the use of an independent mediation service, such as but not necessarily limited to the Veterinary Client Mediation Service (VCMS), becoming mandatory.

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<sup>1</sup> CVS disposed of its crematoria business in April 2025.