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Consultation Response

Which? response to the CMA's consultation on the Vets market investigation: remedies working paper

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Summary

Which? welcomes the invitation to comment on the CMA's remedies working paper. The evidence collected so far in the market investigation, the CMA's preceding market review and our own research leave us with little doubt that a comprehensive package of interventions is needed in the veterinary services market to improve competition and to deliver better outcomes for consumers.

We are broadly supportive of the various remedies that the CMA is considering to improve competition. The evidence indicates that the demand side of this market is incredibly weak, with consumers engaging in little shopping around either when choosing a first opinion practice or a referral provider, purchasing medication or purchasing a cremation. It is therefore appropriate that the CMA is considering a wide range of disclosure and shopping-around remedies. Such remedies can effectively promote competition, but will need to be carefully designed to stimulate consumer engagement and appropriately monitored to ensure compliance. Even then, they may not improve consumer decision-making enough to sufficiently reduce consumer harm, and so the CMA is right to consider the prohibition of potentially harmful business practices (eg remedy 6).[1] The failure of The Competition Commission's 2003 transparency remedies to drive more competition in prescription medicines is a stark reminder of the challenges to successfully implementing demand-side remedies.

We generally do not feel well placed to provide the detailed feedback needed to inform the design of remedies 1 to 14, especially given the short consultation window, and we have therefore focussed our response on the remedies relating to the reform of the regulatory

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[1] Fletcher, A (2016) *The Role of Demand-Side Remedies in Driving Effective Competition A Review for Which?*, accessed at https://www.which.co.uk/policy-and-insight/article/the-role-of-demand-side-remedies-in-driving-effective-competition-aJljM4V8ks2g

framework. However, in considering the possible implementation of remedies 1 to 14 we urge the CMA to do two things. First, to act boldly to tackle the high barriers to consumer engagement. For example, in remedy 2 (to create a comparison website supporting pet owners to compare the offerings of different FOPs and referral providers), it is hard to imagine that a single price comparison website, either operated by the RCVS or a commissioned third party, has the same potential to drive consumer engagement as creating an open data solution that would allow a range of third parties to innovate in how the data is presented. Second, wherever the CMA considers it feasible it should use the new powers given to it in Digital Markets, Competition and Consumers Act 2024 to conduct trials of the way remedies may be implemented.

We set out our responses to the remedies relating to the regulatory framework below, but in summary we are strongly supportive of regulatory reform and hope that the CMA will make clear recommendations to the government on how to legislate to address this. The antiquated regulatory framework is a factor contributing to consumer harm in the sector and a barrier to effective compliance monitoring and enforcement of any CMA orders implemented as part of the market investigation.

We support the regulatory framework being updated to allow regulation at a practice level and we believe the regulator needs to be sufficiently equipped to independently enforce consumer law as it relates to the provision of veterinary services, including issues such as unfair commercial practices. The regulator needs to have appropriate expertise, powers and sanctions that incentivise compliance and enable effective, proportionate enforcement that will drive improvements and higher standards in the market.

We are also particularly concerned about the ability of individual pet owners to make a complaint and seek private redress. According to the government's most recent consumer detriment study, the market has the third lowest rate of positive resolutions to detrimental experiences, with just 31% of people receiving what they asked for or more. This compares to an average positive resolution rate of 52% across all sectors.[2] Given the complex nature of veterinary care and the significant expenses involved for consumers, there needs to be a more comprehensive and mandatory alternative dispute resolution (ADR) scheme for when issues cannot be resolved at the practice level. This needs to be clearly signposted to consumers and build on the current mediation service, but it should also ensure that the scheme has the ability to investigate and adjudicate on complaints, including enforcing its decisions. We therefore believe that an Ombudsman scheme be introduced to deal with complaints relating to veterinary services for pets.

[2] Department for Business and Trade (2025) - *Consumer Detriment Study 2024*, accessed at https://assets.publishing.service.gov.uk/media/67e2c07374e40de685195b55/consumer-detriment-survey-2024.pdf

Response to specific questions

A regulatory framework which protects consumers and promotes competition

Remedy 15: Business level regulation

Question 73: Would regulating vet businesses as we have described, and for the reasons we have outlined, be an effective and proportionate way to address our emerging concerns? Please explain your views.

We strongly support the introduction of regulatory requirements on vet businesses, as we think the current regulation of individual professionals only is fundamentally incompatible with the modern veterinary market and cannot adequately address the issues consumers frequently face when using veterinary services.

Our research on consumers' experiences of using veterinary services highlights many challenges around transparency and informed consumer choice in the veterinary market. Transparency of practice ownership and prices is lacking, and there is an asymmetry of information between pet owners and veterinary professionals, making it hard for consumers to make informed decisions - many have had doubts about the necessity of treatments recommended by their vet but felt unable to challenge them.[3] Our more recent research on complaints in veterinary services indicates that many issues experienced by pet owners when using a vet are related to issues like excessive pricing or the transparency of pricing.[4]

Many of these issues, as well as other concerns identified by the CMA around choice and competition, will be the direct result of, or are at least influenced by, policies and processes set at the practice level and not by the individual professional. As such, the inability of the regulator to place requirements on businesses means that they cannot effectively regulate and enforce against the issues most commonly experienced by pet owners, which is incompatible with the purpose of a regulator to serve the public interest and build consumer trust. It also raises significant challenges for the monitoring and enforcement of remedies brought in by the CMA as part of this market investigation.

Regulation of businesses would therefore fill a significant gap in the current regulatory framework. This could improve the consumer experience by setting and enforcing clear requirements around issues like transparency and information provision. This would support competition in the market since consumers will more easily be able to compare the offering of different practices. A regulator with the power to regulate at a practice level could monitor and enforce requirements for complaints handling, where some consumers are currently experiencing very high levels of harm.

A potential challenge with introducing greater regulatory requirements for vet businesses is that it would present a significant administrative burden for practices to fulfill these requirements. There is a possibility that this could disproportionately affect small,

[3] Which (2023) - *Consumer harm in veterinary services*, accessed at https://www.which.co.uk/policy-and-insight/article/consumer-harm-in-veterinary-services-an9PT3b4Tb2B
[4] Which (2025) - *Complaints and redress in veterinary services*, accessed at XXXXXX

independent practices who may not have the same level of resources as practices owned by a group. Our research has shown that many people prefer to use an independent practice and that customer satisfaction with these practices is, on average, higher than among practices belonging to a chain, so practice-level regulation will need to be designed to mitigate the risk of disadvantaging independent practices. However, we believe the potential overall benefit from practice-level regulation is such that it must be introduced.

Remedy 16: Developing new quality measures

No response to questions 74 - 77.

Remedy 17: A consumer and competition duty

Questions 78 and 79: Should any recommendations we make to government include that a reformed statutory regulatory framework include a consumer and competition duty on the regulator? If so, how should that duty be framed?

We would be supportive of the veterinary regulator being given a consumer duty when the statutory regulatory framework is reformed. Notwithstanding that under the current framework the RCVS fundamentally lacks the appropriate powers, for example being unable to regulate vet businesses or to use a range of sanctions, to regulate in the consumer interest, our research has found that consumers who have engaged with the RCVS felt the regulator had insufficient regard for their complaints.[5] There was a common perception that the complaints process did not support pet owners, but instead served to protect the veterinary profession.

A supplementary duty with regard to consumers could be a valuable tool for ensuring the priorities of the veterinary regulator are appropriately balanced, provided that the regulator has the appropriate expertise and powers to meet the duty.

We are ambivalent about whether such a supplementary duty should also include a regard for competition. It seems unlikely that the veterinary regulator will have a sufficiently large toolkit to fully meet such a duty, and in any case increased competition is mostly desirable because it is instrumental in improving consumer outcomes. Therefore, we see any supplementary duty to improve competition as being subordinate to a duty to deliver good consumer outcomes.

Remedy 18: Effective and proportionate compliance monitoring

Questions 80 - 83: Would the monitoring mechanisms we have described be effective in helping to protect consumers and promote competition? How should the monitoring mechanisms be designed in order to be proportionate? What are the likely benefits, costs

[5] Which (2025) - *Complaints and redress in veterinary services*, accessed at https://www.which.co.uk/policy-and-insight/article/complaints-and-redress-in-veterinary-services-a5z611X9tZzf

and burdens of these monitoring mechanisms? How could any costs and burdens you identify in your response be mitigated and who should bear them?

The current system of compliance monitoring is clearly antiquated and substantial reform is needed. The mechanisms outlined in the consultation seem to be a proportionate way to introduce good practice from other sectors and we would anticipate their introduction to lead to substantial benefits through increased regulatory compliance and improved standards.

Remedy 19: Effective and proportionate enforcement

Questions 84 and 85: Should the regulator have powers to issue warning and improvement notices to individuals and firms, and to impose fines on them, and to impose conditions on, or suspend or remove, firms' rights to operate (as well as individuals' rights to practise)? Are there any benefits or challenges, or unintended consequences, that we have not identified if the regulator was given these powers? Please explain your views.

We endorse the CMA's possible remedy for effective and proportionate enforcement that include giving a regulator information gathering powers and the ability to impose a range of sanctions proportionate to the severity of a given instance of non-compliance.

We have already outlined that many of the most common issues experienced when using veterinary services centre around consumer rights issues like transparent pricing and information provision to allow consumers to make an informed choice. However, even where an issue relates to an individual professional, and therefore the absence of business level regulation is not such a barrier, we still think that the RCVS is unlikely to be unable to enforce against these kinds of consumer rights issues.

The RCVS does publish guidance on communication about treatment options, obtaining informed consent, prescribing veterinary medicines, keeping clinical records, communicating practice information and fees clearly and supporting pet owners' informed choice. However, these provisions cannot be effectively enforced by the RCVS because the threshold for a consumer concern to progress through the RCVS complaints process is prohibitively high. The threshold is focused on serious professional misconduct, reflecting that the RCVS's sanctions are limited to a warning about future conduct, suspension from the veterinary surgeon's register, and removal from the register. The vast majority of concerns regarding consumer rights issues are unlikely to reach the threshold, and removal from the register may not be an appropriate sanction. However, another type of sanction, like an improvement notice or fine, may be an appropriate action to ensure that improvements are made and consumers are not left vulnerable to harm. The current lack of appropriate sanctions means that not only will unfair treatment of consumers go unpunished, but there is no effective deterrent so that poor behaviour may be more common and consumer trust in the profession will be negatively impacted.

In order to address these shortcomings, there should be a regulator sufficiently equipped to independently enforce consumer law as it relates to the provision of veterinary services, including issues such as unfair commercial practices. As with other sectors, the regulator needs to have appropriate expertise, powers and sanctions that incentivise compliance and allow for effective and proportionate enforcement, helping to drive improvements and higher standards in the market.

Remedy 20: Requirements on businesses for effective in-house complaints handling

Question 86 and 87: Should we impose a mandatory process for in-house complaints handling? and If so, what form should it take? Please explain your views.

We would support the imposition of a CMA order that requires vet businesses to have a written complaints handling process.

Our research on the experiences of pet owners has found significant problems with the process of making a complaint. We found that 57% of pet owners who experienced an issue with their vet in the past two years did not complain about it, with the majority identifying some kind of barrier to doing so. Further, a sizeable minority of pet owners in our research who did complain were dissatisfied with the handling (31%) and/or outcome (35%) of their complaint.

We believe that some of the barriers to complaining, particularly that some pet owners simply did not know how to complain, and the problems pet owners experience when they do complain could be addressed by introducing a mandatory process that sets out minimum standards for in-house complaints handling.

Such a process should include requirements to clearly signpost their complaints process (for example via a notice in their practice reception and on their website) to reduce the chance of consumers not being aware of it when needed. Basic information should be provided on the process for complaints, timelines for responding and possible outcomes.

The minimum standards should also require pet owners to be informed of how to escalate a complaint if they wish to. Despite relatively high levels of dissatisfaction with complaints handling, few pet owners in our research reported escalating their complaints. Often this was because they did not know how. In some other sectors, for example telecoms, a firm is required to notify customers of the details of the ADR scheme of which it is a member when it communicates the outcome of a complaint.[6] A similar approach in the veterinary sector could reduce some of the barriers to escalating a complaint.

Remedy 21: Requirement for vet businesses to participate in the VCMS

Questions 88 - 90: Would it be appropriate to mandate vet businesses to participate in mediation (which could be the VCMS)? How might mandatory participation in the VCMS operate in practice and are there any adverse or undesirable consequences to which such a

[6] Ofcom (2021) - General Conditions of Entitlement, accessed at https://www.ofcom.org.uk/siteassets/resources/documents/phones-telecoms-and-internet/information-for-industry/general-authorisation-regime/consolidated-general-conditions.pdf?v=323122

requirement could lead? How might any adverse or undesirable consequences be mitigated?

Yes, we believe it would be appropriate to immediately mandate that vet businesses participate in the existing mediation scheme, albeit that mediation may not be suitable for some cases. According to the most recently published VCMS annual report, the practice participation rate in mediation was 72%, leaving a substantial minority of pet owners who unfairly have no access to any form of ADR.

Longer term, we believe it should be mandatory for vet businesses to participate in an ombudsman scheme that includes both mediation and adjudication (see our response to remedy 25).

Remedy 22: Requirement for vet businesses to raise awareness of the VCMS

Question 91: What form should any requirements to publicise and promote the VCMS (or a scheme of mediation) take?

As we set out in our response to questions 86 and 87, our research indicated that few pet owners in our research reported escalating their complaints and often this was because they did not know how. We therefore support remedy 22 that vet practices be required to raise awareness of the VCMS, or any enhanced ADR scheme that is recommended as a result of the market investigation. We believe this could work similarly to, for example, opticians and optometry practices where service providers are required to let customers know that the Optical Consumer Complaints Service offers a mediation service for cases where a consumer complaint cannot be resolved by the practice.

We would expect any customer information describing a mandatory process for in-house complaints to include information on how to escalate complaints.

Remedy 23: Use of complaints insights and data to improve standards

Question 92: How should the regulatory framework be reformed so that appropriate use is made of complaints data to improve the quality of services provided?

Many of the pet owners interviewed as part of our complaints research felt strongly that the detrimental incident they experienced should be learned from and fed through to future improvements, but it is clear that the partial mechanisms for learning from complaints that are currently being used are not adequate.

As we set out in our response to remedies 24 and 25 we want to see the introduction of a veterinary ombudsman and we would expect that this body would have responsibility for ensuring that complaints data is used to improve service quality. It is common for an ombudsman to offer advice to firms and to collate and analyse complaints data to drive improvements. This can take many forms - many ombudsman schemes in other sectors offer training on effective complaints handling, for example.[7] [8] It is also common for an ombudsman to publish their decisions.[9] [10]

It would be our expectation that an ombudsman set up in the veterinary market would at least be required to report data on complaints back to the sector regulator, although ideally data should also be publicly available. The regulator could then use this data to identify trends or commonly occurring issues across different vet services, or groups of practices, in order to address any emerging issues.[11] The Financial Conduct Authority (FCA) provides an example of where data from the Financial Ombudsman Scheme (FOS) can be used to assess whether firms are complying with regulatory standards when dealing with complaints.

Remedy 24: Supplementing mediation with a form of binding adjudication

Questions 93 - 95: What are the potential benefits and challenges of introducing a form of adjudication into the sector? How could such a scheme be designed? How might it build upon the existing VCMS? Could it work on a voluntary basis or would it need to be statutory?

Our research on complaints in veterinary services highlights the benefits of mediation as a way of resolving individual disputes and avoiding escalation, and we can see particular benefits in the veterinary sector where complaints are especially likely to be emotionally charged. In situations like these, mediation can be valuable in opening lines of communication between the practice and pet owner and coming to a resolution that maintains the client/practice relationship.

However, our research also indicates that not all disputes can be resolved in this way, and we believe that a form of binding adjudication would improve access to redress in this market. Adjudication provides a more formal and legally binding form of ADR which could help to address some of the key issues that we found pet owners experienced when escalating a complaint, particularly that many pet owners feel it is extremely difficult to have their case fairly heard under the current system, and that there is an imbalance of power in the vet's favour.

Expanding the current ADR landscape to supplement mediation with binding adjudication would therefore address some of the shortcomings that currently exist whilst maintaining the existing benefits of mediation, giving pet owners and veterinary practices the best chance of achieving a positive resolution in a cost effective way and avoiding escalation to the courts

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[7] SRA News - Ombudsman webinars on complaints handling, accessed at: https://www.sra.org.uk/sra/news/sra-update-119-ombudsman-webinars
[8] Local Government & Social Care Ombudsman - Effective Complaint Handling - group bookings, accessed at: https://www.lgo.org.uk/information-centre/information-for-organisations-we-investigate/training/effective-complaint-handling-online
[9] FOS - Decisions and case studies, accessed at: https://www.financial-ombudsman.org.uk/decisions-case-studies
[10] Parliamentary and Health Service Ombudsman - Browse and search decisions, accessed at: https://decisions.ombudsman.org.uk/
[11] FCA (2024) - Complaints and root cause analysis: good practice and areas for improvement, accessed at: https://www.fca.org.uk/publications/good-and-poor-practice/complaints-and-root-cause-analysis-good-practice-and-areas-improvement

or a public enforcement body. We would support mandatory participation by firms in this new, extended ADR scheme. As we explain in our response to remedy 25, we believe that a veterinary ombudsman should be established which would feature both mediation and adjudication, as it does in other sectors such as rail.

Remedy 25: Introducing an Ombudsman

Questions 96 - 98: What are the potential benefits and challenges of establishing a veterinary ombudsman? How could a veterinary ombudsman scheme be designed? Could such a scheme work on a voluntary basis or would it need to be statutory?

We believe that establishing a single mandatory ombudsman service would be the best way to deliver a new and more robust ADR scheme. Ombudsmen can provide an enhanced form of ADR by actively investigating disputes and requesting additional information when necessary, removing a burden from consumers to present all relevant evidence themselves. Additionally, ombudsman schemes play a pivotal role in driving improvements, such as identifying systemic issues offering advice and training where necessary. Such a service has particular benefits in a sector that involves complex cases, where there is an asymmetry of information between the client and professional, and where treatments can involve high sums of money spent by consumers.

Furthermore, many of the pet owners we interviewed who had escalated their complaint to the VCMS or RCVS had a perception that these processes are not truly independent, but biased in the favour of vets or serving to 'protect' veterinary professionals. Ombudsman schemes are independent and impartial and so the introduction of such a scheme could present an opportunity to mend this perception. This is especially so if there is clear communication about the independence of the ombudsman and transparency around the way decisions are made, which will mitigate the risk that ADR schemes can be viewed as biased by consumers.[12]

As we noted in our response to remedy 24, we can see particular benefits to mediation in the veterinary sector where complaints are especially likely to be emotionally charged. Therefore we think that a veterinary ombudsman scheme should be designed to incorporate mediation as the first stage to resolve a complaint, with adjudication being used in cases where mediation is not successful. Such a model is used by the rail ombudsman.

We believe that participation by practices should be mandatory. Not only could this incentivise the successful resolution of complaints at practice level, it would ensure equal access to ADR channels for all pet owners and provide the scheme with a view across the whole of the market, allowing it to more effectively draw out trends that could be used to drive improvements.

[12] Which? (2021) - *Are Alternative Dispute Resolution schemes working for consumers?*, accessed at: https://www.which.co.uk/policy-and-insight/article/are-alternative-dispute-resolution-schemes-working-for-consumers-ajoOk8v1Aozn

Remedies 26 - 28: Effective use of veterinary nurses
No response to questions 99-101

Proportionality

Questions 102-105: Do you agree with our outline assessment of the costs and benefits of a reformed system of regulation? Please explain your views. How should we develop or amend that assessment? How could we assess the costs and benefits of alternative reforms to the regulatory framework? How should any reformed system of regulation be funded (and should there be separate forms of funding for, for example, different matters such as general regulatory functions, the PSS (or an enhanced scheme) and complaints-handling)?

We agree that an enhanced system of regulation will require additional resources for the regulator and that, given the weakness of the demand side of the market, much of these costs will be passed on to consumers by vet businesses. However, the benefits from fairer pricing and higher quality service will also accrue to consumers and we see the success of these remedies being contingent on regulatory reform that permits regulation at the vet practice level.

We also agree with the principle that the funding of a more effective ADR scheme should be borne, as much as possible, by those businesses generating complaints that cannot be resolved at a practice level. It is possible that the pass-through rates of these costs to consumers may be lower than costs borne by the whole sector and it will act as a further incentivisation for practices to raise standards to avoid complaints and to resolve them at the practice level.

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