

MerlinVet-cel Ltd Response to CMA Remedies Working Paper: Veterinary Services Market Investigation

Submitted to: Competition and Markets Authority (CMA)

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Submitted by: MerlinVet-cel Ltd

Overview

MerlinVet-cel Ltd is grateful for the opportunity to respond to the CMA's Remedies Working Paper and recognises the significance of this investigation for the future of veterinary services in the UK. We commend the CMA for its comprehensive engagement with the sector and its commitment to improving outcomes for pet owners.

As a national veterinary buying group supporting hundreds of independent practices, MerlinVet-cel operates at the intersection of supply chain economics, commercial operations, and practice-level realities. Our perspective is rooted in close collaboration with practice owners, veterinary surgeons, and support teams who navigate the pressures of clinical care, commercial viability, and client service daily.

In this submission, we have combined MerlinVet-cel's organisational insights with the contribution of an independent veterinary practice owner who submitted a detailed and thoughtful response to the CMA consultation. This dual perspective, macro and micro, enables us to offer both strategic analysis and practical, clinical-level context. The independent submission highlights how certain proposed remedies, if poorly implemented, may hinder rather than help small, community-based practices.

We fully support the CMA's aim of making veterinary services more transparent and accessible. However, achieving this goal must not come at the cost of burdening independent practices with disproportionate compliance costs, unworkable digital expectations, or blanket measures that favour large vertically integrated providers.

Section 1: Implementation of Remedies

Q1. Comments on current thinking on the routes to implementing remedies

We agree that CMA Orders, undertakings, and recommendations are appropriate mechanisms for remedy implementation. However, remedies must be tailored to the capabilities of the full spectrum of providers in the sector. Independent practices, especially those not part of corporate structures, do not have access to centralised compliance teams, legal advisors, or IT departments.

A one-size-fits-all approach risks creating compliance barriers that disproportionately impact small practices. Where possible, phased introductions, exemptions for microbusinesses, and support for digital integration should be part of the remedy strategy.

The CMA should also be cautious about mandating technology solutions that presume all practices use modern, compatible practice management systems. Many independents rely on legacy software or hybrid workflows that cannot easily accommodate automated reporting or data disclosure without incurring significant cost or disruption.

Section 2: Trialling of Information Remedies

Q2. Comments on proposed trials and assessment criteria

We support piloting remedies prior to national rollout. Effective trials should reflect the diversity of the veterinary sector and include practices of various sizes, business models, and regions.

We recommend that assessment criteria include:

- Client understanding and whether behaviour actually changes in response to new information
- Operational impact and time burden on practice teams
- Digital and system compatibility
- Cost of implementation in both staff hours and financial outlay

A remedy that may seem simple on paper can become complex or unworkable when overlaid on real-world workflows in small teams with limited IT capacity.

Section 3: Remedies on FOP and Referral Transparency

Remedy 1: Mandatory publication of standardised information

There is strong theoretical merit in this proposal, but the practical challenges are significant. Independent practice feedback highlights that even within the same condition, such as arthritis, treatment plans vary widely based on pet size, comorbidities, owner preferences, and drug tolerability. There is no fair or clinically accurate way to generate standardised pricing for such cases.

Moreover, publishing fixed or indicative prices for prescription-only medicines raises legal and ethical concerns, particularly where those prices may fluctuate weekly due to wholesale changes or supplier availability. Attempting to maintain such pricing accuracy would consume time and resources that could be better spent on clinical care.

Remedy 2: Comparison Website

We oppose this proposal. A single comparison site would inevitably favour large providers with sophisticated pricing, marketing, and IT infrastructure. Feedback from an independent vet flagged the risk that such platforms may drive price inflation rather than reduce it, as small practices see competitors charging significantly more and adjust prices upward.

Remedy 3: Pet Care Plan Transparency and Switching

In principle, we agree on greater clarity regarding what a care plan entails. However, the operational burden of auditing plan usage, calculating financial benefit on a per-client basis, and administering universal cancellation policies would be extremely high for independents. Some already struggle with third-party plan providers imposing restrictive terms. Any remedy in this space must ensure that fairness applies not just to pet owners, but to practices operating without central admin teams.

Remedy 4 & 5: Referral Options and Treatment Choices

We support improved communication, but it must be practical. Mandating digital formats or detailed written disclosures for every treatment decision risks undermining trust, lengthening consultations, and increasing vet stress. We recommend that written summaries of options be available upon request, not as a default requirement.

Remedy 6: Prohibiting Restrictive Business Practices

We support this principle. The independent submission provided powerful evidence of “preferred product” lists imposed by corporate employers that override clinical judgment and restrict client choice. Remedies must empower all vets, regardless of employer, to act in the animal’s best interest.

Section 4: Remedies to Increase Competition in Medicines

Remedy 7: Prescription Mandate

We support clients' right to request a prescription, but the idea that every medicine must be accompanied by an offer of a written prescription, possibly promoted within the waiting room, amounts to requiring a practice to market competitors' services, such as online pharmacies owned by Corporate businesses.

Feedback from independent practitioners is clear: writing prescriptions is a time-intensive clinical act that often requires clarification with online pharmacies or repeated edits to meet differing formats. Moreover, allowing clients to shop around using a prescription carries known risks of misuse or substitution.

Remedy 8: Medicine Price Transparency

Practices operate within a complex and volatile pricing environment. Requiring them to publish fixed prices for named medicines, when those prices may change monthly due to rebate structures, stock availability, or supplier incentives, is not just impractical, but potentially misleading.

Remedy 9: Generic Prescribing Requirement

We strongly oppose this. There are important clinical and legal distinctions between generic veterinary medicines and their human counterparts. Substitution based on generic names alone may breach the cascade or undermine treatment efficacy. Vets must be free to prescribe by brand where appropriate.

Remedy 10 & 11: Price Controls

Price controls may seem attractive, but they risk distorting a fragile balance. For many independent practices, medicine sales cross-subsidise consultations and other services. Implementing blunt controls without considering input costs, rebate structures, or product availability could render some services unviable.

The independent practice response highlighted the impracticality of calculating "true" net price when rebates are complex, vary across suppliers, and may involve free stock or long-term offers. Without a standardised cost base, a price cap would be both arbitrary and harmful.

Section 5: Out-of-Hours (OOH) and Cremation Services

Remedy 12: Restrictions on OOH Contracts

We agree that restrictive contracts are anti-competitive, particularly in areas with multiple OOH providers. However, supply is limited in many regions, and remedies must not inadvertently reduce service availability further.

Remedy 13 & 14: Cremation Pricing Transparency/Controls

Transparency is reasonable, but practices must retain the ability to tailor communication to the emotional needs of grieving clients. Feedback from the independent submission warned that pushing price discussions at moments of distress could damage trust and staff welfare.

Section 6: Regulatory Framework Reform

General Position

We support enhanced oversight, particularly where non-veterinary corporate owners are concerned. However, care must be taken not to impose excessive or duplicative regulation on small, independently owned practices.

Remedy 20: Complaints Handling and Redress

While a standardised approach to complaints may support transparency, mandatory ombudsman schemes must be carefully designed. Independent practices lack in-house legal or HR teams and may struggle with the cost and administration involved. A tiered system or voluntary model, with compulsory participation only for repeat issues, would be more appropriate.

Final Observations

We urge the CMA to:

- Consider the cumulative administrative load created by overlapping remedies
- Recognise that small independent practices are already under pressure and cannot absorb further unfunded obligations
- Acknowledge that well-functioning buying groups like MerlinVet-cel help level the playing field, offering independents collective strength, commercial insight, and access to fairer pricing
- Use first-hand evidence from practitioners to inform remedy design, particularly around medicines, price transparency, and care plan complexity

MerlinVet-cel Ltd is happy to support further discussions, trials, or design work. Our aim is to ensure the final remedies are practical, proportionate, and genuinely supportive of both consumer interests and a thriving, diverse veterinary sector.