Medivet's Response to the CMA's Vets Market Investigation: Remedies Working Paper

NON-CONFIDENTIAL VERSION

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1. Introduction and Executive Summary

1.1 Medivet welcomes the opportunity to respond to the CMA's remedies working paper published on 1 May 2025 (the ***Remedies Paper***).[1] In this document, Medivet sets out its response to the Remedies Paper, consisting of:

(a) **Part A:** Medivet's overarching views on the 28 remedies proposed in the Remedies Paper (from paragraph 2.1 to 2.5); and

(b) **Part B:** Medivet's answers to the CMA's consultation questions included in the Remedies Paper (at Table 2 below).

The CMA's remedial focus should be on improving market transparency and enhancing the existing regulatory framework

1.2 Medivet sets out in this Table 1 its headline views on the CMA's remedy proposals for each of the CMA's emerging issues:

Table 1

CMA's emerging issues	Medivet's view
Vet businesses often do not give clear and timely information, making it difficult for pet owners to choose the right vet practice, referral provider and treatments for their needs.	• Supports the requirement for providers to increase transparency of ownership but current proposal does not go far enough and must be strengthened. • Supports the requirement for providers to publish prices provided this is limited to a core set of treatments only. • Does not support the creation of a new price comparison website; more proportionate and effective option would be to use RCVS's Find-a-Vet and further develop the services it offers. • Supports the requirement to increase transparency of pet care plans. • Does not support mandating vets to provide options in writing but instead to do so at request of the customer. • Supports the CMA's efforts to ensure vets retain clinical freedom provided this does not prevent the legitimate use of KPIs and performance tools.
Medicines dispensed by vets can be very expensive compared to online pharmacies, with practices making significant mark ups.	• Supports proportionate solutions to increase transparency around pet owners' ability to request prescriptions (but not mandatory prescriptions or mandatory generic prescribing) and purchase medicines through alternative channels and the fact that such channels may offer lower prices.

[1] Accessible at: https://www.gov.uk/government/consultations/vets-market-investigation-remedies working-paper.

CMA's emerging issues	Medivet's view
	• Does not support a medicines price comparison website / portal or prescription fee or interim medicine price controls – increased transparency is a better, more effective and proportionate remedy. By contrast, price control measures raise questions around design, cost and effectiveness, and risk various adverse unintended consequences, including likely price increases for other treatments / services.
There is limited competition in out of hours (***OOH***) services for those vet practices which choose to outsource.	• Supports proposal to limit exclusivity periods and termination fees for OOH contracts.
Pet owners may be overpaying for cremations.	• Supports proportionate solutions to increase transparency around cremation fees but more detail is required on how this can be done. • Does not support cremation fee price controls – increased transparency is a better, more effective and proportionate solution.
The regulatory framework is outdated and does not have enough focus on consumers.	• Welcomes reforms to modernise the current regulatory framework but already underway and therefore should be outside scope of the CMA's investigation. Instead, supports upweighting the PSS and VCMS, through targeted reform, including the possibility of making the PSS mandatory, increasing its monitoring powers and requiring practices to utilise complaints date so as to drive quality improvement. • Supports strengthening role of Senior Appointed Veterinary Surgeon would increase corporate-level responsibility for clinical decisions. • Supports reforms to broaden the role of the veterinary nurse but reforms best dealt with outside of the CMA's investigation.
Lack of choice of FOP in some local areas.	• Welcomes proposal not to implement any remedies as there are no issues arising from local concentration.

1.3 At the hearing on 11 March 2025 and in its 21 March 2025 response to the 6 February working papers (the ***February Working Papers***), Medivet explained its view that any remedies should be focused on two key pillars: increasing market transparency; and enhancing the existing regulatory framework. Medivet reiterates its view that the CMA's potential concerns can be fully addressed by focussing on these two pillars.

1.4 More specifically on market transparency:

(a) Medivet welcomes the CMA's focus on finding solutions that increase transparency of information on vet practices, ownership, prices, quality differentiators and treatment options to drive increased levels of competition and client choice. However, as the CMA itself notes,[2] it will be critically important to ensure that any remedies are proportionate and effective.[3] As Medivet will explain in this document, in Medivet's view, certain of the transparency proposals in the Remedies Paper do not go far enough to promote client choice, while others go too far and risk unintended adverse consequences for clients and animal welfare.

(b) A key element of transparency relates to ownership. In Medivet's view, it is vital that all vet practices become fully transparent on ownership in the way that Medivet is already. This means in practice that all vet practices should make their ownership very clear across all services, communications, client digital experience and brick-and-mortar sites. This includes transparency in relation to referrals[4] or recommendations given by vets to vertically integrated and adjacent businesses within a corporate group.

(c) Medivet was therefore disappointed by the minimal way this issue is treated in the Remedies Paper,[5] with almost no detail on how the remedy would be implemented in practice. Medivet has proposed suggestions of additional steps the CMA should take on this point.[6]

(d) By contrast, other of the CMA's transparency proposals go too far and risk unexpected adverse consequences that could be counterproductive or harmful. For example:

(i) Medivet is supportive of a requirement to publish prices – indeed, Medivet itself already does this for its most common treatments for all clinics and out of hours (***OOH***) consultations for its 24-hour clinics. However, the list proposed by the CMA in Appendix A to the Remedies Paper contains numerous treatments and services, resulting in an excessively long list of prices which would not be readily usable to help consumers compare veterinary service providers and would fail to serve as an accurate price estimate in practice given the spectrum of variables that impact the actual price of a treatment or service for a particular pet. In any case, Medivet is also concerned that

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2 As set out at paragraph 22 of the Remedies Paper.

3 This aligns with the RCVS' view that any remedies must be "*proportionate to the outcome anticipated",* see paragraph 14(a) of the RCVS' "Response to CMA Veterinary Services for Household Pets Market Investigation Working Papers, published on 6 February 2025" (https://www.rcvs.org.uk/document-library/rcvs-response-to-cma-veterinary-services-for-household-pets/).

4 Medivet's comments in respect of referrals relate to cases handled at designated referral centres (such as the three owned by Medivet), where full clinical responsibility for the pet shifts from the referring vet / practice to the referral vet / practice. As Medivet set out in paragraph 3.37 and footnote 64 of its response to the February Working Papers, transfers within Medivet's FOP hub-and-spoke model are entirely distinct from referrals.

5 I.e. Not addressed until page 55 of the Remedies Paper and then in only three paragraphs.

6 At paragraph 2.1(a)(ii). See also in response to Question 36 in Part B below in respect of business practices affecting the choices offered to pet owners.

a long and detailed but non-exhaustive list could in practice limit client choice, if inadvertently the items on the list were to be implicitly used by consumers as the only available or best-practice treatments, thereby limiting consumer ability to consider other treatments that are not included and undermining contextualised care in the industry. A more effective solution therefore would be to settle on a shorter list of the most common treatments for which it is possible to provide accurate pricing information. Medivet provides its detailed comments on the feasibility of publishing prices for all of the treatments contained in Appendix A to the Remedies Paper at Annex 1 of this response but maintains its view that such an extensive list would not be the most effective or proportionate option.

(ii) Price comparison websites (***PCWs***) for first opinion practices (***FOPs***) and referral providers would be ineffective in relation to veterinary services for the same reasons as above: they would be unable to accurately or exhaustively provide comparisons for all treatments, and in particular for chronic conditions. They would also fail to facilitate comparison of quality factors that pet owners have confirmed in feedback to the CMA are very important but are less easily comparable than for more commoditised products. Additionally, a mandatory PCW for medicines would be disproportionately burdensome for all dispensing veterinary practices (in particular smaller independents) to be active on – and limiting participation only to those larger practices able to absorb the burden would in fact reduce the field of competitors. The cost of establishing and operating PCWs would also be significant. If those costs were to be borne by veterinary practices by way of regulatory levy or some other required contribution, the most likely outcome would be for veterinary practices to pass on those costs to consumers through increased prices. A more effective and proportionate solution would be to use the RCVS Find-a-Vet website and further develop the services it offers.[7]

(iii) Finally, Medivet welcomes the CMA's recognition that there is evidence of increasing transparency in the market. These shifts already go some way towards addressing the CMA's emerging issues and obviates the need to impose disproportionately burdensome remedies.

1.5 In relation to regulatory reform, while Medivet acknowledges that there are changes the sector would benefit from, these would likely require legislative reform which will inevitably require considerable time and consultation to progress and ultimately enact. As a result, Medivet considers the CMA's best chance of achieving effective and proportionate outcomes that would be swift

[7] Also discussed at paragraph 2.1(b)(iv) below.

and simple to implement would be through re-focusing and/or upweighting relevant parts of the existing regulatory framework (e.g. existing Practice Standards Scheme (***PSS***) and Veterinary Client Mediation Service (***VCMS***) scheme).

Any price control remedy would be unwarranted, disproportionate and unreasonable with unintended consequences for consumers and ultimately animal welfare

1.6 In addition to various transparency measures, Medivet notes that the Remedies Paper considers a number of price control options in respect of prescriptions, medicines and crematorium services. The CMA expresses some reservations about this type of remedy, in particular in relation to medicines, where it notes its preference would be whether a price control could be avoided. Medivet also has serious reservations about any price controls which, in its view, would be unwarranted, disproportionate and unreasonable and risk creating a number of unintended adverse consequences for the market.

1.7 The emerging findings of the CMA's profitability assessment show that [redacted] and that profitability levels amongst LVGs and independents are varied, with the highest margins being exhibited by some independents, rather than LVGs. Indeed, by more normal measures of profitability (such as EBIT margins), [redacted]. Absent high levels of market concentration (not found by the CMA to be a feature of the market), these outcomes are indications of a competitive market with winners and losers, rather than an uncompetitive one.

1.8 Further details on Medivet's views on the CMA's Profitability and Econometrics working papers are provided in a separate submission, but in summary, there is no plausible case to impose a market-wide price control on one or more veterinary services. Even if the CMA were to disagree, at least as regards Medivet, [redacted]. Any price control would serve simply to adversely impact Medivet's ability to make a [redacted] return on its investment, thereby reducing its ability and incentive to continue investing in its business and likely have the unintended consequence of Medivet having to raise the price for other of its services – to the detriment of its clients and ultimately with an adverse impact on animal welfare.

1.9 Relatedly, Medivet notes that previous cases of the CMA imposing price controls have typically been in highly regulated or commodity markets such as energy and retail banking,[9] where price or other price-related factors were the main competitive lever and therefore price control may have been a more appropriate and proportionate means of addressing the CMA's identified concern. Even in

[8] [redacted]

[9] See the CMA's Energy Market Investigation (2016) (https://www.gov.uk/cma-cases/energy-market-investigation); and the CMA's Retail Banking Market Investigation (2017) (https://www.gov.uk/cma-cases/review-of-banking-for-small-and-medium-sized-businesses-smes-in-the-uk).

these markets, these remedies have not proved to be successful.[10] By contrast, as the CMA is well aware in the veterinary services market, there are many competitive levers at play, including treatment options, quality and location. Some of the most important of these are around intangible quality factors. In this context, ensuring appropriate transparency would be a more proportionate means of encouraging greater competition than a blunt and disproportionate price control.

The CMA must also bear in mind several guiding principles in its remedy considerations

1.10 Other guiding principles that the CMA must bear in mind in the context of remedies are:

(a) **Clinically sound outcomes.** The CMA must ensure that any remedies it imposes are clinically sound and prioritise animal welfare at their core. In this regard, Medivet welcomes the CMA's recognition that animal welfare and wider public health concerns are at the heart of veterinary practice and regulation and its awareness of the need to consider the potential impact on animal welfare when considering remedies. Nevertheless, Medivet is concerned that certain of the CMA's proposed remedies would inadvertently compromise veterinary standards, client accessibility of treatment or the quality of care provided, thereby detrimentally affecting animal health and welfare. Adequate regard must be given to the fact that the veterinary services industry is unlike commodity or other high street retail markets and operates within a framework of complex standards of professional and clinical conduct that vets must uphold. Maintaining high clinical standards in the industry requires these core principles of clinical care to be at the forefront of the CMA's considerations.

(b) **Relationship of trust.** Relatedly, Medivet welcomes the CMA's recognition that the client trust relationship is key to protecting pet health and welfare – which is of paramount importance to Medivet and its clients.[11] Despite this, Medivet is concerned that the CMA's remedy proposals that shift pet owners' focus to price or interrupt the dialogue

[10] The transitional remedies imposed as a result of the 2002 SME banking review (which weren't lifted until 2007), resulted in a freeze of competition in SME banking. The 2010 House of Commons Treasury Committee report stated, "*concentration in many sectors of the [banking] market is now higher than when Sir Donald Cruickshank examined competition in retail banking, particularly in... SME markets";* see paragraph 38 (https://publications.parliament.uk/pa/cm201011/cmselect/cmtreasy/612/612i.pdf).Following CMA's investigation in the energy market, it recommended a package of remedies to improve competition. To protect consumers till those interventions took effect, Ofgem introduced a cap on prepayment metres (PPM) from April 2017. Although introduced with the best intentions, Ofgem's 2018 impact evaluation report found that this reduced supplier's incentives to compete aggressively on tariffs, with smaller suppliers exiting the prepayment market and narrowing consumer choice (https://www.ofgem.gov.uk/sites/default/files/docs/2018/11/appendix_11_-_final_impact_assessment.pdf). There is now a cap covering all of retail energy and commentators have noted the resulting freezing of competition in the energy market by creating significantly higher prices for consumers and driving inflation (https://cps.org.uk/research/the-case-against-the-energy-price-cap/).

[11] As set out at paragraph 10 of the Remedies Paper.

between a vet and pet owner during a consultation (e.g. mandatory treatment write-ups or in-consultation price comparisons) at a time when pet owners' main priority is pet welfare, do not adequately consider the dynamics of this relationship and the possibility of unintended damage to the relationship. Medivet's primary focus is empowering its clinical professionals to deliver exceptional FOP care in a contextualised way to achieve the best outcomes for pets and their owners.[12] Any remedies that the CMA imposes should protect and enhance the client relationship, rather than undermine it or make it more transactional / commercial or add complexity.

(c) **Sector-wide remedies.**[13] To the extent the CMA has identified potential concerns in the sector, these have been unrelated to any finding of market power or concentration and indeed, in relation to pricing, the CMA has identified highly variable levels of profitability across the sector and within different practice types (independent or corporate). As such, and to ensure a consistent level of client service and choice, it is imperative that any remedies that the CMA decides to implement apply equally to all market players to ensure consistency and promote fair choice across the sector.

(d) **Swift and simple implementation.** The CMA investigation has resulted in many months of legal uncertainty for the veterinary sector – which has already caused unintended consequences including negative sentiment towards vet professionals and corporates, disincentivising entry into the profession and chilling commercial freedom and ordinary course business strategy. Any remedies must be capable of implementation swiftly, simply and unambiguously so that the sector can return to focusing on patient care, investment and growth.[14] In that vein, Medivet strongly opposes the use of trial and interim remedies, as both would create significant and sustained uncertainty. Not only would this uncertainty harm veterinary professionals and the businesses who support them, but it also risks eroding pet owners' trust in the sector and the regulatory bodies overseeing it (including, potentially, the CMA) if remedies require the changing of business practices multiple times. Medivet is also deeply concerned by the substantial additional regulatory costs associated with reviewing, amending, trialling, etc., remedies, and

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[12] See page 3 of the BVA's "Response to CMA overview paper" in response to the CMA's February Working Papers, which highlights the importance of the Vet-Client-Patient-Relationship (VCPR) in facilitating the delivery of contextualised care (https://www.bva.co.uk/resources-support/competition-and-markets-authority/).

[13] This aligns with the RCVS' view that any remedies must be "*applicable across the very wide range of practice types that exist in the UK",* see paragraph 14(c) of the RCVS' "Response to CMA Veterinary Services for Household Pets Market Investigation Working Papers, published on 6 February 2025" (https://www.rcvs.org.uk/document-library/rcvs-response-to-cma-veterinary-services-for-household-pets/).

[14] This reflects the RCVS' position that any remedies must be "*enforceable in a transparent manner"* and *"effective, with a clear review mechanism to assess this and make changes",* see paragraph 14(b) and (e) of the RCVS' "Response to CMA Veterinary Services for Household Pets Market Investigation Working Papers, published on 6 February 2025" (https://www.rcvs.org.uk/document-library/rcvs-response-to-cma-veterinary-services-for-household-pets/).

who will bear them – whether veterinary businesses, pet owners, or ultimately the UK taxpayer.

(e) **Minimising additional burden.** More generally, many of the CMA's remedy proposals would add a material degree of operational and/or administrative burden on the sector, including vets and vet businesses. These burdens would put additional pressure and cost on the sector and therefore risk several adverse consequences – cost pass-on, increasing barriers to entry and pressure to exit, disincentivising investment and eroding care standards. The burden would be felt across the sector.[15] While there may be an assumption that LVGs' scale may afford them greater capacity to absorb additional burden, this relies on: (i) LVGs making above normal profits; and (ii) the burden being a fixed cost that can be spread across more transactions (as opposed to a per-transaction cost). [redacted]. Further, independents may not even have the operational capacity to comply with the added burdens of the CMA's remedies. The CMA must be mindful in its approach to remedies not to disproportionately impact or fetter the operations of veterinary practices, in particular given that ultimately this will risk both the welfare of pets and pet owners and the overall resilience, growth potential and attractiveness of the sector.

(f) **Proportionality.** As per its guidance, the CMA will have regard to the proportionality of different remedy options and a proportionate remedy is one that is effective in achieving its legitimate aim, is no more onerous than needed to achieve its aim, is the least onerous effective measure and does not produce disadvantages which are disproportionate to the aim. The CMA has proposed a package of remedies rather than a single remedy proposal, given that the CMA has not identified a single remedy that is capable of addressing its potential concerns. As a result, the CMA must undertake its proportionality assessment in respect of the overall package of proposed remedies. In this regard, Medivet is extremely concerned that the proposed remedies, when considered together, amount to a very significant set of changes which would impose a huge burden and cost on all veterinary practices across the sector. Further, if all or most of these proposals were adopted by the CMA, they would amount to an excessive and wholly disproportionate reaction to the CMA's emerging thinking and concerns. The CMA's assessment of proportionality should also take in account: (i) the size of the veterinary industry in the overall context of the UK economy – amounting to less

[15] This aligns with the RCVS' view that any remedies must "*neither inhibit growth nor cause an additional burden on practices that may end up being reflected in increased costs to the consumer*", see paragraph 14(d) of the RCVS' "Response to CMA Veterinary Services for Household Pets Market Investigation Working Papers, published on 6 February 2025" (https://www.rcvs.org.uk/document-library/rcvs-response-to-cma-veterinary-services-for-household-pets/).

than c. 0.2% of UK GDP;[16] and (ii) veterinary services as a proportion of household spend. Household expenditure on veterinary services (on average less than £200 per year based on the CMA's own analysis;[17] and where vet ownership is entirely discretionary) is significantly less than many other typical household expenditure items (e.g. non-NHS dental and healthcare, non-medical wellness treatments, plumbers, builders, boiler maintenance and repair, car maintenance and insurance, etc. – many of which are not discretionary).

2. Part A

2.1 **Emerging issue 1: Vet businesses often do not give clear and timely information, making it difficult for pet owners to choose the right vet practice, referral provider and treatments for their needs.**

(a) *Remedy 1: Require FOPs and referral providers to publish information for pet owners*

(i) At the outset, Medivet reiterates its belief that transparency is the most important factor in the veterinary sector to empower pet owners to choose and switch – and that increased transparency would be the most proportionate driver of increased competition. It is for this reason that, as was explained in its response to the February Working Papers,[18] Medivet is already a leader in the market on transparency:

(A) Medivet publishes: (i) practice level price-lists for the most common items for dogs and cats (closely aligned with the CMA findings regarding the most common veterinary spend items); and (ii) OOH consultation fees at its 24-hour practices;

(B) Medivet operates an "informed consent" policy requiring its vets to: (i) provide the pet owner with an upfront estimate for treatment work following a consultation, and to seek re-approval from pet owners if a treatment price exceeds the written estimate; and (ii) provide a range of reasonable options, where relevant, in advance of proceeding with treatments, surgeries and diagnostics; and

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[16] By the CMA's own estimations, the entire veterinary industry is worth c. £5.7 billion, of which FOP services may be worth c. £2-2.5 billion (see https://assets.publishing.service.gov.uk/media/664e0ef8ae748c43d37940a4/ Final report of the consultation .pdf at paragraphs 6.34 and 6.35); and as per the Office of National Statistics, UK 2024 GDP was estimated at c. £2.85 trillion (https://www.ons.gov.uk/economy/grossdomesticproductgdp).

[17] See figure 132, based on most popular response (by 26% of respondents) (https://assets.publishing.service.gov.uk/media/67a3aae008d82b458c553ce8/Quant Market Research Report Accent.pdf).

[18] See paragraph 3.6 of Medivet's response to the February Working Papers.

(C) Medivet operates all its brick-and-mortar services, communications and digital presence under a single brand (and has internal policies and guidelines to ensure this).

Transparency of ownership

(ii) Of particular importance to Medivet is its transparency of ownership which, as the CMA's own Vet Users Survey found, is highly effective, with 76% of Medivet clients being aware of their practice's ownership, compared to just 9%-26% for most of the other LVGs.[19] Medivet believes that awareness of a practice's ownership is fundamental to free and fair competition. Without it, pet owners may mistakenly believe they are choosing between different providers when, in reality, they are not.

(iii) Paragraphs 3.29-3.31 of the Remedies Paper deal with the CMA's proposed remedy on ownership transparency, suggesting that both FOPs and referral providers would need to display ownership information, the number of practices owned by the group and shared ownership with associated businesses (such as cremation services, OOH providers and online pharmacies). While Medivet welcomes these proposals, Medivet was disappointed to see how little weight the CMA appears to attribute to the importance of transparent ownership in its Remedies Paper and how little detail the paper provides on how this proposal would be implemented in practice so as to be effective. Medivet believes that improving transparency in the sector is likely to be the most effective way of addressing the CMA's potential concerns.

(iv) In relation to transparent ownership specifically, Medivet submits that the CMA remedy proposals need to be materially strengthened. In particular:

(A) Paragraph 3.31 of the Remedies Paper suggests it could become mandatory that practices' ownership and network information be displayed plainly on websites (such as in the website's header and "About us" page) and in practices (using conspicuous signage). However, from Medivet's perspective this may not be sufficiently prominent to ensure pet owners see the ultimate parent's name at the point of making a choice (for example if the "About us" page is not sufficiently prominent on the website, or the in-practice signage is only in one part of the room or only in one room of a building). Medivet suggests strengthening the remedy to require practices and all associated businesses to state the name of the veterinary group as a subtitle to the name of practice, in

[19] Vet Users Survey, page 38 (https://assets.publishing.service.gov.uk/media/67a3aae008d82b458c553ce8/Quant_Market_Research_Report___Accent.pdf).

a format such as "*practice [X]: a [Y] practice*" or "*practice [X]: part of the [Y] group*" and for this to extend across all services (including OOH providers, referral centres, crematoria, online pharmacies and other associated businesses), media and marketing materials, client communications (including invoices, estimates and leaflets), client digital experience and brick-and-mortar sites (including signage both inside and outside brick-and-mortar practices and on uniforms). This would ensure that pet owners can identify the corporate ownership of a practice or related service, while also giving groups the option to keep legacy local practice names.

(B) Paragraphs 3.30-3.31 of the Remedies Paper also suggest that the common ownership of any associated businesses must be disclosed and that "*Where a FOP directs consumers to a connected business, the connection should be prominently disclosed at this point*." This proposal is, again, vague, and Medivet believes that in order to be effective, such disclosure would need to be given in writing at the time of providing treatment options to pet owners so that they are fully aware of the linked ownership when making a treatment decision.

Transparency of prices

(v) As noted above, Medivet already displays the prices of its most common treatments and OOH consultation fees at FOPs online (on each practice's landing page) and in-practice. Additionally, Medivet's three referral centres also display prices of commonly requested procedures.[20] Medivet agrees with the CMA that transparency of pricing is a good outcome for pet owners in principle and it would support a remedy that requires all vet practices to publish / make available (both online and in practice) the prices of a common list of frequently used or "entry point" services, including prescription fees.[21]

(vi) However, Medivet has serious concerns about how some of the CMA's proposals would work in practice. In particular:

(A) Medivet is concerned about the extensive nature of the treatments and services to be included in the proposed price list. When all relevant variables are taken into account (such as species, size, weight, age, etc.), the number of individual price items would be very significant (likely well over 100 separate prices), resulting in

[20] By way of example, see the price list for Medivet's East Midlands referral clinic (https://www.eastmidlandsreferrals.co.uk/prices/).

[21] Medivet's response to the February Working Papers, paragraph 1.13(c).

something practically unworkable for customers which, if anything, risks only confusing rather than assisting their decision making.

(B) In addition, various of the treatments / services that the CMA proposes to make subject to a price list[22] would be virtually impossible to standardise meaningfully across different service providers and pet owners' needs,[23] particularly for many back of house treatments (e.g. for chronic conditions) which are inherently more complex and therefore less predictable. Providing uncontextualised price lists that in practice bear no relevance to a particular pet's specific treatment options risk having the unintended consequence of actually confusing or misleading pet owners. For example, based on a specific pet's conditions, a vet may decide to recommend a treatment that does not feature on the price list, and so the pet owner may be confused or misled when trying to search for and compare (but fails to find) prices for the relevant treatment.

(vii) A further unintended consequence may be that the treatments featuring on the prescribed price list begin to serve as a perceived proxy for "best practice" treatments. This could serve to effectively deny clients the choice of a wider set of treatments that may be more appropriate in their specific circumstances (but simply are not on the price list). If inadvertently used in this way, such prescribed price lists may be counterproductive to increasing transparency and choice.

(viii) Finally, Medivet is concerned that a particular focus on price, where quality is inherently more difficult to demonstrate in this context, may result in: (i) pet owners prioritising price over pet welfare; and (ii) veterinary businesses focussing on low price / high volume treatments at the sacrifice of clinical quality. This could have a material impact on pet welfare e.g. where a pet owner opts for a service provider based primarily on price but where the quality levels are lower (and not as easily comparable as price) or decides to travel long distances for cheaper veterinary services in emergencies where significant time-critical treatment is required.

(ix) While Medivet notes that its proposed price list items are based on "*a proposal put forward by an LVG*,"[24] Medivet would urge the CMA to consider the views of a wider group of stakeholders and sets out further detail on its perspectives – and on those

[22] Appendix A to the Remedies Paper.

[23] See Medivet's response to Question 4 below for further details.

[24] Remedies Paper, footnote 94.

treatments it sees as the most problematic for inclusion – in Questions 4-11 in Part B, Table 2 below and at Annex 1.

(b) *Remedy 2: Creation of a comparison website supporting pet owners to compare the offerings of different FOPs and referral providers*

(i) Medivet appreciates the value that PCWs can offer clients for a wide variety of retail goods / services (such as insurance, car hire, mobile phones and utility providers). However, there are material differences between these goods / services and veterinary services, meaning that the required introduction of PCWs in this industry would be much less effective, come at material cost to the sector and be a disproportionate response to the issue at hand.

(ii) In particular:

(A) While PCWs are an effective means of comparing price and other key tangible and discrete selling terms in isolation, they are less effective at measuring intangible factors such as quality of the good / service provided. As the CMA itself identifies in its discussion of Remedy 1, "*Quality of service can be a key differentiator between veterinary practices […] quality may be difficult both to measure and to communicate to consumers.*"[25] In other industries in which PCWs are widely used, subjective quality factors are not such an important lever of competition. The Remedies Paper considers the embedding of client reviews into the PCW to address this issue. However, it concludes that this "*poses a number of practical challenges and risks that may outweigh the potential benefits to consumers*."[26] Medivet agrees with this assessment.

(B) More generally, and as explained in relation to Remedy 1, veterinary services are in most cases difficult to standardise such that meaningful comparisons would not be possible via a PCW, with price for even some very simple treatments varying according to a range of factors (including species of animal, weight, dosage of medicine required, etc.) and different service providers being able to band / categorise treatments independently in accordance with their business model and specific needs of their client-base, and not necessarily in a standardised form conducive to comparison.[27] Again, this is in contrast

[25] Remedies Paper, paragraph 3.36.

[26] Remedies Paper, paragraph 3.50.

[27] Even if the CMA required different providers to band / categorise treatments in the same way, this would likely require many veterinary practices to re-categorise their treatments, their pricing, etc., in ways which could be irrelevant to their business and client base. In addition to being complex, costly and time-consuming, Medivet is concerned that such a "cookie-cutter" approach might actually serve to

to other industries, which allow for more straightforward comparisons on price for a single product (such as the cost of a hiring a particular make / model of car for a defined period of time). Medivet notes that PCWs do not commonly exist for more analogous sectors, such as human healthcare or dentistry. As a result of this, a PCW would likely only serve to confuse clients – or otherwise omit the intangible comparators most valuable to pet owners, and potentially affect their trust in their veterinary provider which the CMA itself states it "*would not wish any remedies to undermine*."[28]

(C) Medivet does not consider it appropriate for a veterinary services PCW to be operated by a commercial third party, as vets would be unable to place sufficient clinical trust in the services being offered. The alternative would be for the PCW to be operated by a regulatory body – who would need to be funded for the cost of taking on such a role. The same concerns apply to the CMA's proposals for a medicines PCW under Remedy 8, discussed at paragraph 2.2(c)(ii) below.

(D) Finally, in order for any PCW to be effective, it is vital that all vet practices become fully transparent on ownership, see paragraph 1.4(b) and paragraphs (a)(ii) to (a)(iv) above. Without transparency on ownership, clients will not be able to understand whether the vets they are considering are actually competing with each other.

(iii) Medivet urges the CMA to consider the unintended consequences which the imposition of this type of remedy proposal may cause, in particular with regard to independently-owned vets, and pet owners:

(A) If a PCW is introduced, it is essential that the services of all LVGs and independent providers would be included within them, as participation by LVGs alone would serve to promote their services at the expense of independents, distorting competition. People using the PCW to choose a new veterinary provider would effectively only be choosing between participating vet groups or practices.

(B) At the same time, independent vets who participate will need to bear the cost (both administrative and financial)

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stifle innovation and competition in the sector, rather than strengthening it. More broadly, Medivet agrees with the BVA's concern that "*a 'one-size-fits-all' approach in the shape of an online comparison tool for pricing […] risks diminishing the value of veterinary care and fails to take into account the critical importance of contextualised care,"* as set out at page 2 of the BVA's "Response to CMA overview paper" (https://www.bva.co.uk/resources-support/competition-and-markets-authority/).

[28] Remedies Paper, paragraph 10.

of doing so – a burden that will be significantly harder for them to shoulder compared to large corporate groups which will be able to recover the fixed costs of systems integration across a greater volume of business. This may mean the financial costs are passed-on to pet owners.

(C) Implementing a suitable PCW across the entire industry that would avoid these unintended consequences while facilitating participation and like-for-like comparison across the many different market players of varying size and sophistication would be very complex.[29] In Medivet's view it is uncertain whether it is even possible to implement a workable and effective PCW. In any event, doing so would take a disproportionately long time and therefore fail to provide a swift and simple remedy to any CMA concern. This would also be disproportionate since the CMA's own pet owner survey indicated that price was only one of several factors that pet owners considered when choosing veterinary services. In Medivet's view, the time and effort involved in implementing a PCW would not be justified by the overall utility it would serve.

(iv) In any event, it is already possible to compare veterinary services through existing review platforms such as Google Reviews and Trustpilot. Importantly, these platforms provide valuable insights into service quality and client experiences in a way that PCWs would not be able to do. Building-out existing tools instead of developing new ones would be a more effective and proportionate solution capable of implementation in a simple and cost-efficient manner. For example, the RCVS's Find-a-Vet could be enhanced to cover all veterinary surgeries and include details of e.g. PSS rating, top-10 item price lists, trading hours, NPS scores, and vet / vet nurse qualifications.

(c) *Remedy 3: Require FOPs to publish information about pet care plans and minimise friction to cancel or switch*

(i) Medivet welcomes proposals to increase transparency in respect of pet care plans and notes that it already performs a number of the measures the CMA contemplates, as was explained in Medivet's response to the February Working Papers.[30]

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[29] See in particular Medivet's responses to Questions 12, 13 and 15 in Table 2 below.

[30] For example, as was stated in footnote 76 of Medivet's response to the February Working Papers, in relation to frictionless switching, Medivet Health Plan (***MHP***) members who pay annually and wish to leave the plan midway through a subscription year are refunded any remaining money after deducting the cost of any treatments received in the period between joining date or anniversary of joining (as applicable) and the cancellation date. Pay-monthly MHP members who wish to leave settle either the outstanding amount for treatment received in the period between the joining date or anniversary of joining (as applicable) and the cancellation date (including all discounts received up to the cancellation date), or all outstanding payments for the remainder of the year (whichever is lower).

(d) *Remedy 4: Provide FOP vets with information relating to referral providers*

(i) As an initial observation, Medivet believes that transparency of ownership for both FOPs and referral centres will solve the majority of the CMA's concerns in relation to choice of referral providers. Transparency of ownership will allow pet owners to understand when they are being referred to a referral centre in the FOP's corporate group, thereby enabling them to make more informed decisions.

(ii) While Medivet is not opposed to greater transparency in relation to the provision of referral work in principle (and already, as stated above in paragraph 2.1(a)(v) above it publishes the prices of various of its referral services) it agrees with the CMA that there would likely be "*substantial challenges, including cost*" in having a system / central architecture linking different referral providers.[31]

(iii) Medivet has concerns about the use of a PCW for referral services and would urge the CMA not to proceed with one since it risks giving undue priority to price and undermining the key drivers behind a referral recommendation, which are quality and trust. Given the nature of the types of treatment typically requiring referral services (complex / specialist treatments requiring facilities not available at FOP practices); and the need to ensure continuity of care across potentially different FOP and referral service provider, referring FOPs are (rightly) primarily focussed on ensuring quality when advising on a referral option. Repeated quality referral services establish and foster a relationship of trust between FOP and referral service provider, with the aim of ensuring as far as possible that a pet and pet owner's treatment journey is seamless and as free as possible from any loss in quality of care. A particular focus on price rather than quality and trust could risk deprioritising such welfare outcomes and undermining the vitally important relationship of trust.

(iv) Further, requiring FOPs to source prices from multiple referral services providers who have made referral information available would be unduly onerous on FOPs. To do so "fairly" might require FOPs to source such price information from e.g. all referral service providers within a geographic catchment. However, this would likely be extremely time-consuming for FOPs and would detract from time they may otherwise spend providing FOP care. Otherwise, if FOPs were to source price information more selectively to avoid such a time-consuming exercise, then this would fail to effectively address any CMA concern around FOPs favouring particular referral providers and acting as

[31] Remedies Paper, paragraph 3.90.

"gatekeepers." Medivet also notes that it is not the responsibility of FOP vets to promote to pet owners different referral centres on their behalf. Please also refer to Medivet's responses to Questions 22-26 in Part B below. Medivet considers that encouraging other referral providers to publish a list of easily standardisable treatments / services that pet owners can research themselves, as Medivet already does (such as for cruciate surgery, CTs and MRIs), is the most appropriate and proportionate measure to increase transparency and address the CMA's perceived concerns.

(e) *Remedy 5: Provision of clear, accurate and timely information about different treatment, service and referral options in advance and in writing*

(i) Medivet reiterates that its vets already give clear, accurate and timely information about different, clinically appropriate options in advance of treatment, service and referral. As the CMA correctly notes, such practices form part of the RCVS Code, breaches of which can be career-ending for a vet. This provision of information to clients ordinarily occurs orally. Medivet is concerned that requiring vets to record vets' giving of options to pet owners in writing could have material unintended consequences. In particular, the CMA must consider how additional requirements will impact a veterinary professional's daily workload. Increased time demands may affect pet owners, as longer consultations and other duties would lead to higher costs per appointment. This may also be detrimental to animal welfare, as excessive administrative tasks may reduce the overall care vets can provide on any given day, amounting to an effective reduction in capacity in an industry which the CMA has already found suffers from staff shortages.

(ii) As the CMA suggests, if this remedy were pursued, exceptions would need to be available, such as:

(A) In emergency situations. Without this, pet welfare would be impacted by essential treatment being delayed as a result of the requirement to provide options in writing.

(B) In situations in which only one treatment is clinically appropriate. This would be required to avoid potentially inappropriate options being given for mere "compliance" purposes.

(iii) In light of these challenges, Medivet considers that a preferable option would be to require vets to give this information in writing upon request. In Medivet's experience, oral delivery has advantages over written delivery in that it allows for real-time discussions with pet owners. Nevertheless, Medivet agrees that

a pet owner who wants this information in writing should receive it.

(iv) Medivet notes that other, alternative behavioural "nudges" would also be inappropriate, such as:

(A) an opt-out system (e.g. where the default position is a requirement on vets to provide options in advance in writing, but where clients can request not to need this), which would not be an adequate substitute for vets exercising their clinical and professional judgement to deliver and discuss options in the format they consider most appropriate in a contextualised care context and in compliance with RCVS Code obligations; or

(B) a tick-box to confirm that the vet has discussed and offered different options to the pet owner's satisfaction, since, given the credence nature of veterinary services and oftentimes technical nature of veterinary advice, in practice pet owners cannot be expected to know clinically whether the discussion of options was appropriate or even necessary in the context.

(f) *Remedy 6: Prohibition of business practices, incentives, goals and/or other performance tools which unduly limit or constrain choices offered to pet owners*

(i) Medivet supports the CMA's efforts to ensure that vets retain clinical freedom to provide or recommend treatments that are tailored to a pet's and their owner's unique circumstances and remain free from non-clinical restrictions or constraints arising from unhelpful business practices. Indeed – this is a key part of Medivet's vet-led approach to its business and is underpinned by a strong clinical governance structure.

(ii) However, despite the CMA's positive intention, Medivet is concerned that the Remedies Paper does not adequately acknowledge that, contrary to the CMA's concern, key performance indicators (***KPIs***) and performance tools can be (and often are) used to promote and encourage clinical freedom. As Medivet explained in its response to the February Working Papers,[32] even not-for-profit organisations such as the National Health Service routinely use KPIs to manage and allocate resources and maintain service levels. Medivet uses KPIs as a means of maintaining clinical quality, identifying training needs and for the efficient allocation of resources across its FOP estate. Such measures are a function of the scale of a business and therefore its need for centralised resourcing and management,

[32] See paragraph 3.12 *et seq.* of Medivet's response to the February Working Papers.

and not necessarily a function of seeking to inhibit clinical freedom in the pursuit of profit.

(iii) By failing to acknowledge the clinical advantages of the very same business practices that the CMA is concerned about, a remedy in relation to business practices risks the unintended consequence of chilling or disincentivising vets from using efficiency-generating or otherwise necessary organisational tools in the operating of their business.

(iv) The CMA's remedy proposal is also described only in high-level general terms, without sufficient detail as to the types of business practices that would be prohibited. This lack of detail prevents parties from commenting meaningfully on the remedy proposal. Similarly, if any remedy imposed were also only defined in high-level terms and was insufficiently detailed, then it would be difficult to interpret consistently and therefore equally difficult to monitor and enforce in practice. However, to the extent the CMA's remedy proposal would be to prohibit practices: (i) of mandating referrals within a business group or network (which effectively restrict the option of referring externally); and (ii) seeking to conceal information of a practice's ultimate ownership, then Medivet would support such a change.

2.2 **Emerging issue 2: Medicines dispensed by vets can be very expensive compared to online pharmacies, with practices making significant mark ups.**

(a) *Medivet's overarching views on Remedies 7-11*

(i) Medivet considers that, if implemented in full, the CMA's package of remedies 7-11 in respect of medicine prescriptions and dispensing would be disproportionate, ineffective and unjustifiably burdensome for the sector to implement – and would risk material unintended adverse consequences.

(ii) As Medivet explained to the CMA in its response to the February Working Papers,[33] FOPs incur significantly higher unavoidable costs in prescribing and dispensing medicines as compared to online pharmacies – and these significant costs are one of the main drivers of its prices. Despite these material and unavoidable costs, Medivet recognises that the sector and pet owners alike would benefit from greater price competition in respect of prescriptions and medicines. At the same time, given the need to cover such material and unavoidable costs, Medivet is mindful that such blunt instruments as price controls for prescriptions and medicines could leave FOPs with little choice but to increase prices elsewhere to avoid losses.

[33] See paragraphs 6.42-6.48 of Medivet's response to the February Working Papers.

(iii) In Medivet's view, the most effective and proportionate means of achieving greater competition would be through:

(A) increased transparency around the ability to request a written prescription and consistent online and in-store transparency around the price of a prescription; and

(B) increased transparency about the availability of alternative channels through which to purchase medicines and the fact that such channels may offer lower prices for such medicines.

(iv) Medivet considers price and option transparency to be the most effective driver of competition for medicines for the following reasons:

(A) Transparency is a necessary condition of competition in this context. Increasing client awareness of the ability to request a prescription, coupled with transparent prescription pricing[34], will serve to empower consumers to choose a FOP based on how competitive the prescription prices are. Transparent price competition is obviously already a staple feature of many high-street retail service markets where clients compare the prices of equivalent services before deciding on a provider (e.g. a haircut at a high street salon, where prices are clearly visible in salon windows and on websites). Pet owners will be familiar with comparing prices when they are transparent and so transparency will immediately force FOPs to consider rival prescription prices and adjust their prices accordingly.

(B) Transparency requirements are proportionate and sufficient since they facilitate switching but do not involve imposing price controls which may be set artificially and not connected with normal competitive market forces; nor do transparency requirements involve onerous additional burdens on FOPs to e.g. issue mandatory written prescriptions that would be inappropriate in many different scenarios and potentially contrary to client demand.

(C) Transparency requirements would be swift and simple to implement – particularly given the visible trend that the CMA has recognised of greater numbers of vets now starting to consistently publish prices. Adding prescriptions to existing published price lists would be extremely straightforward and quick to implement.

[34] This will require ensuring that prescription fees are published in a consistent format to ensure meaningful comparison. This is explained further at paragraph 2.2(e)(ii)(B) below.

(v) When considering the imposition of any form of interim medicine price control, as suggested by the CMA's Remedy 11, in addition to the practical challenges associated with implementing a price control, there is a material risk of unintended adverse consequences:

(A) Implementing a medicine price control to freeze prices at current levels would be counterproductive, since it would effectively reward those FOPs that currently charge very high medicine prices and penalise those charging low prices. There is no economic rationality to a policy which would prevent one practice in a single local area from being able to charge more than (for example) £45 for a given drug, while another nearby practice is able to charge up to £60. A freeze on prices based on historic prices would also be unworkable without taking account for ongoing external variables not controlled by veterinary businesses such as inflation and costs.

(B) Implementing a medicine price control to cap future prices based on a national average would remove any incentive for FOPs to adjust prices downward from the cap and may lead veterinary businesses who had priced medicines beneath the cap to in fact increase prices up to the level of the cap. In these circumstances, a price cap would risk functioning as an effective minimum price level that FOPs could maintain, thereby undermining normal price competition. The same concerns around accounting for external variables such as inflation and costs also apply.

(C) Specifically in relation to the need to account for the input cost of purchasing medicines on the wholesale market, a price control that does not do so would create incentives for wholesalers and manufacturers to increase prices unless vets were given the ability to pass through price changes (which would make monitoring the remedy extremely complex). Wholesalers and manufacturers currently know that wholesale price increases will lead to retail price increases, which can have the effect of reducing demand downstream. However, a hard price cap at retail level, will give wholesalers and manufacturers knowledge that wholesale price increases will not be passed on at all, so there will be no change in demand downstream. This increases the wholesaler's incentives to raise wholesale prices, as it would effectively face no reduction in demand. All wholesalers would therefore increase prices compared to a counterfactual without the price cap, further squeezing the profitability of vet providers. This will be in addition to other price increases

which would have occurred in the counterfactual, e.g. reflecting general price inflation.

(D) Further, in relation to price controls, Medivet notes that the CMA's present market investigation is markedly different to prior investigations in which the CMA opted to impose remedies involving price controls. The markets in question were distinguishable from the veterinary services market on several important grounds. One group of price controls being previously applied includes highly concentrated markets that were either monopolies or oligopolies (see for example Yell and mobile radio network services[35]), which is not applicable to the veterinary services market. Additionally, the scope of undertakings to whom the remedies would apply is materially wider, raising issues in terms of monitoring, compliance and enforcement burdens of such remedies if applied across a market of multiple players – as would be the case for the veterinary services sector. Alternatively, previous price control cases related to industries that were already heavily regulated markets, often with existing sectoral price regulators able to monitor compliance, such as energy,[36] where price was the only or main competitive lever. This approach would not easily translate to the veterinary sector where location, options and quality of care are also key competitive differentiators. The CMA therefore has a materially wider range of suitable and more proportionate transparency-focused remedies available to it to address any identified issues without resorting to such blunt and burdensome options as price controls.

(b) *Remedy 7: Changes to how consumers are informed about and offered prescriptions*

(i) Medivet addresses the CMA's proposals in respect of a prescription fee price cap in its discussion of Remedy 10 at paragraph 2.2(e)(i) below. In respect of the non-price cap elements of the CMA's Remedy 7 options:

(A) For the reasons set out in paragraphs 2.2(b)(ii) to 2.2(b)(vi) below, Medivet does not support mandatory prescriptions (as proposed in the CMA's Options D and E).

[35] See the CC's Classified Directory Advertising Services Market Investigation (2006) (https://www.gov.uk/cma-cases/classified-directory-advertising-services-market-investigation-cc); and the CMA's Mobile Radio Network Services (2021) (https://www.gov.uk/cma-cases/mobile-radio-network-services).

[36] See the CMA's Energy Market Investigation (2016) (https://www.gov.uk/cma-cases/energy-market-investigation).

(B) For the reasons set out in paragraph 2.2(b)(viii) below, Medivet would support increasing transparency and awareness of pet owners' ability to request prescriptions (as proposed in the CMA's Option B). Alternatively, subject to appropriate modifications, Medivet would also consider a requirement to offer a prescription to be a potential option (as proposed in the CMA's Option C) – see paragraph 2.2(b)(ix).

(ii) Medivet is concerned that requiring vets to issue written prescriptions when there is a formal recommendation to treat an animal with a prescribed medicine would be neither effective nor proportionate – and would have the unintended consequence of adding a material administrative burden to vets and a cost to pet owners. It would serve to frustrate and hold back consumer service during the consult (longer times, fewer slots available), and would risk creating significant bad will among veterinary practitioners alike.

(iii) The CMA acknowledges that some vets lack efficient prescribing systems, with prescriptions taking up to 10 minutes to issue. Even with efficient systems, requiring a written proposal (in all but exceptional cases) would significantly extend consultation times by increasing administrative workload. Additionally, as the CMA notes, pet owners may require extra time during consultations to research medicine prices before deciding whether to purchase at the FOP or elsewhere.

(iv) As Medivet notes above in relation to Remedy 5, added timing and administrative burdens for medicine recommendations could unintentionally raise veterinary costs, reduce available time with pet owners / pets, and increase consultation fees - ultimately harming pet welfare and access to veterinary care appointments (in a resource constrained market).

(v) Additionally, Medivet is concerned that mandatory prescriptions may help facilitate prescription fraud, a growing trend in which unscrupulous pharmacies are, for example, distributing counterfeit medications or changing details on handwritten prescriptions to provide products for substance abuse in humans (such as Tramadol).[37]

(vi) Medivet is pleased that paragraph 4.37 of the Remedies Paper acknowledges certain medicine sales should be carved-out of any mandatory prescription obligation in exceptional circumstances. While the CMA gives the example of medicines administered directly by the vet (frequently by injection), Medivet would also

[37] For a recent example news story about such pharmacies, see here: https://www.vettimes.com/news/business/finance/lintbells-issues-warning-over-counterfeit-product-sales.

urge the CMA to consider that mandating written prescriptions would be inappropriate for medicines needed for acute conditions and urgent or emergency treatments, as well as in circumstances where clients request to purchase the medicines from the practice directly for convenience. The decision not to offer a written prescription in reliance on such carve-outs in a practical, clinical scenario is a matter of professional and clinical judgement by the relevant vet where there is not always a bright-line test to determine the appropriate circumstances. This demonstrates that mandating written prescriptions in a professional, judgement-based context is a blunt and disproportionate proposal.

(vii) Further, as the pet owner survey demonstrated, there are circumstances where purchasing medicines online simply is not appropriate or preferred by the client. This can be for a range of convenience, clinical and/or personal preference reasons. Mandating written prescriptions in these circumstances would be inefficient, wasting vet time and creating a potential increase in cost to the client with no upside.

(viii) Rather, Medivet considers that a more proportionate and appropriate solution would be to increase the transparency and awareness of pet owners' ability to request prescriptions (as set out in Remedy 7, Option B). The benefit of this more proportionate remedy is that it avoids the mandatory prescription's unintended consequences of impacting cost and fettering vets' clinical judgement. While the CMA considers it unclear that transparency alone will be sufficient, Medivet notes that a shifting trend to purchasing medicines online is already apparent. Further publicity on purchasing medicines online will increase consumer awareness and foster demand to request written prescriptions. This could be by way of appropriately prominent in-practice and online signage, messaging in digital communications and hardcopy leaflets.

(ix) Should the CMA consider that Option B would not sufficiently address its concerns (which Medivet considers it would), then Medivet would consider a version of Option C requiring vets to offer a prescription as a potential option. However, the requirement should include suitable carve-outs for circumstances where offering a prescription would be inappropriate, including where the medicine is administered by the vet but also in emergency or urgent care scenarios at the vet's discretion. Medivet would also oppose the need for a signed acknowledgement that a prescription was offered and declined, since this would add administrative burden to vets with no upside. Vets are already expected and trusted to adhere to a full array of requirements and guidelines without the need for client's written acknowledgement to evidence it. Medivet sees no reason

why a special case should be made for any new requirement to offer prescriptions.

(c) *Remedy 8: Transparency of medicine prices so pet owners can compare between FOPs and other suppliers*

(i) Medivet has serious concerns about the effectiveness and proportionality of the CMA's remedy proposals around medicines PCWs or a prescription portal.

(ii) The CMA's proposal to require prescription scripts to contain a QR code or hyperlink to a PCW would likely not be effective, come at material cost to the sector and be a disproportionate response to the issue at hand:

(A) On a purely principled basis, Medivet is not aware of any other commercial sector in which market players are expected to (indirectly) advertise alternative products, which would be the case with including a QR code to a PCW on a Medivet-issued prescription. In particular, given that some LVGs are integrated with an online pharmacy (whereas Medivet is not), there is a risk that directing clients to a PCW would simply serve to divert clients of an LVG to a different part of their business. The proposal would therefore fail to effectively open up the market for veterinary medicine.

(B) For all but the simplest medicines, pet owners may struggle to confidently source treatments online via a PCW due to complexities in dosage, strength and delivery methods. Currently, pet owners rely on vets' expertise to ensure the correct medicine as part of a treatment journey. A QR code shifting this responsibility onto pet owners risks undermining that trust. Additionally, self-sourcing exposes vets to greater professional risk, as they remain accountable for pet welfare without oversight of medicine sourcing (and such risk is increased by the growing levels of prescription fraud Medivet is seeing in the sector – see paragraph 2.2(b)(v) above).

(C) Establishing and operating a dedicated PCW would be a disproportionate and burdensome response to the CMA's concern, for the same reasons outlined under Remedy 2 regarding a veterinary services PCW.

(iii) The CMA's proposal that a comparison price be printed on a written prescription is also an unworkable proposal. Medicine prices change over time and, as a result, in order for prescriptions to include accurate comparison prices, prescribing vets would need to develop internal systems that track live prices in real time and integrate that tracking with the systems used to generate

written prescriptions. Whilst such systems could potentially be implemented by larger vet businesses with more advanced IT systems (albeit at some considerable cost), for the reasons already stated, Medivet considers that any CMA remedy proposals must be sector-wide and therefore also apply to independents. Medivet is sceptical that independents across the sector would be able to comply with the added burden of developing such systems to comply with the CMA's remedy proposal. Live prices of medicines may also change between the time a prescription is written and when the client seeks to purchase the medicine via the PCW – which would also undermine the accuracy and relevance of printing a comparison price on the written prescription.

(iv) In light of these considerations, Medivet considers that the cost of implementing such a system would not be warranted by any (small) benefit to pet owners, and that greater transparency in the availability of written prescriptions and online medicines is a more proportionate and effective solution to the CMA's potential concerns. This would avoid the unintended consequences identified above. In particular, Medivet considers that, e.g. marketing campaigns, consistent clear and prominent signage in practices and online and the CMA's own press functions would adequately serve the purpose of increasing client awareness to promote sufficient transparency. A further option may be to require written estimates and invoices that include medicine items to also include guidance to clients making them aware of the option to request written prescriptions and buy medicines through alternative channels and that such medicines may be available at lower prices.

(v) In respect of the CMA's prescription portal proposal under Option C, Medivet shares the CMA's concerns that this option would be difficult to implement, in addition to being administratively burdensome and ineffective for many of the same reasons described above in relation to a PCW (e.g. requiring advanced IT integration and disproportionate setup costs).

(d) *Remedy 9: Requirement for generic prescribing (with limited exceptions) to increase inter brand competition for medicine sales*

(i) Medivet has serious concerns about the effectiveness and proportionality of a requirement that vets prioritise prescriptions based on generic equivalency categories, in the context of pet health.[38] In order for such a requirement to take practical effect would require legislative change – by introducing legislation

[38] This aligns with the BVA's position that "*Vets should have the clinical freedom to prescribe a licensed veterinary medicine by generic name and/or a specific trade name depending on the context and what is best for the animal and owner's circumstances*", as set out at page 3 of the "Response to CMA overview paper" (https://www.bva.co.uk/resources-support/competition-and-markets-authority/).

requiring the VMD to assess and publish information on substitutable generic medicines. This would involve several more years of legislative process to enact and bring into effect. Such a recommendation therefore fails to bring about a swift and simple solution to any CMA concern.

(ii) In the meantime, in Medivet's experience, generic substitutes are simply not consistently available in the correct dosage / strength / usages or with the appropriate licensing compared to the branded medicines that Medivet vets most frequently prescribe. Prescribing based on active ingredient or generic name will therefore not result in pet owners being able to find and purchase suitable generic substitutes on any meaningful scale, while it will have the unintended consequence of significantly increasing the burden on vets to review and assess substitutability of unfamiliar generics rather than efficiently prescribing already tried-and-trusted medicines. Accordingly, in Medivet's view, the concern therefore is not primarily in relation to prescribing within the veterinary services market – rather, the concern is in relation to a lack of substitutable generics in the veterinary medicines market and the disproportionate added burden on vets in the consult room. Since the issue is primarily with the lack of substitutability in the veterinary medicines market, not the practices in the veterinary services market, Medivet does not consider generic prescribing to be an effective solution to any potential CMA concern.

(iii) Lastly, Medivet is concerned that mandatory generic prescribing would be detrimental to pet / animal welfare in cases where pet owners are given a prescription and may fail to purchase the correct product elsewhere. Given the number of different products, dosages, etc., Medivet does not consider this to be only a remote possibility.

(e) *Remedy 10: Prescription price controls*

(i) Medivet considers that none of the CMA's three options to impose a price control in respect of prescriptions, even for a transitional period, would achieve a solution to the CMA's potential concerns. At paragraph 4.93 of the Remedies Paper, the CMA's stated aim of a price control is to "*ensure that consumers are not discouraged from requesting or receiving a written prescription due to the fee associated with doing so.*" It is not clear to Medivet why a price control based on current fees or based on cost recovery would help achieve this aim without also giving rise to significant unavoidable adverse consequences:

(A) As the CMA already acknowledges, freezing prices at current levels would effectively reward those prescribing

vets with the current highest prescription prices and penalise those who have kept prescription fees lower.

(B) Fixing prices based on some form of cost recovery would be technically very challenging given the difficulties Medivet has (and, it assumes, other LVGs and independent practices have) in allocating costs for this service. In addition, a fixed or capped price could result in some vets being able to increase their prescription fees above their current levels, which would be an inadvertent harm to their clients.

(C) Further, a price control or an outright prohibition on charging for prescriptions would likely result, as already explained above, in veterinary practices having to increase prices for other services.

(ii) In Medivet's view, as already explained above, there are several key reasons why increasing transparency of medicine purchasing options would achieve the CMA's objectives without risking the adverse consequences of a price control:

(A) The CMA has not identified or put forward evidence to demonstrate that prescription fees are currently set at a level that disincentivises switching, nor has the CMA clearly articulated or evidenced its perceived risk that FOPs would be incentivised to increase prescription fees in the future to mitigate loss of sales revenue from medicines. Without such evidence to support such a concern, a price control would be unjustified.

(B) Transparency which allows pet owners to meaningfully compare prices is easily achievable. While prescription costs are all uniquely determined by each veterinary business based on their costs and business model, the cost does not typically vary according to medicine, animal species, size or other treatment-based variables. Therefore, Medivet considers that there is no reason why all veterinary businesses should not be able to publish their prescription fee online and in-practice. This should be done on a like-for-like basis in terms of the quantity of medications being prescribed to ensure comparisons are meaningful (for example, all veterinary practices should have to display the price of a prescription containing one medicine, or two medicines, or three medicines, etc.).[39]

(C) Market behaviour is already shifting in a positive direction. As Medivet (and the CMA) has already experienced,

[39] This could be effected, for example, by including prescription fees as part of any list of products/treatments published under Remedy 1.

increased transparency is already being seen in the market as a result of the CMA's investigation, which already goes some way to addressing the CMA's emerging issues. Indeed, in Medivet's view, if the CMA's consumer survey were to be repeated now, pet owners would likely be much more aware of their ability to obtain a prescription. Enshrining transparency of prescription fees into a CMA remedy will facilitate and foster competition among veterinary practices to address the CMA's concerns around prescription fees while avoiding disproportionately prescriptive and unworkably complex price freezes.

(f) *Remedy 11: Interim medicines price controls*

(i) For the reasons already set out above in paragraph 2.2(a)(v) and the equivalent reasons in paragraph 2.2(e)(i) in respect of prescriptions, Medivet considers that a price control in respect of medicine prices would be ineffective and disproportionate – in particular given that, as explained, increased transparency in the availability of alternative medicine sources and the option to request written prescriptions will effectively promote price competition on medicines while avoiding the risk of unintended adverse consequences of a price control.[40] The same challenges that Medivet has already explained around the practically unworkable complexity of calculating cost elements that should be accounted for in a price control are also relevant here.

(ii) In particular, Medivet notes that:

(A) A price control on medicines would not be proportionate when alternative, less burdensome transparency remedies would be sufficient to address any CMA concerns (in addition to existing market shifts towards greater transparency that the CMA has already observed and noted).

(B) The CMA expresses a concern around its package of remedies taking time to feed through into an effect on price, thereby necessitating an interim price control. However, in Medivet's view:

(I) This concern is unfounded and does not properly consider how swiftly and simply the key transparency changes (e.g. publishing prescription fees in-practice and on websites / updating literature to increase awareness of the availability of written prescriptions and online medicines / ensuring transparency of ownership) could be

[40] Medivet also considers a price control to be disproportionate upon Medivet specifically for the reasons stated in paragraph 1.10(e) above.

implemented sector-wide. Coupled with appropriate publicity from the CMA and other stakeholders in the sector, Medivet fully expects these transparency measures to have an immediate impact on enabling and encouraging price competition.

(II) This concern does not trump the greater need for go-forward legal and commercial certainty for the veterinary services sector following such a lengthy and involved CMA market investigation – meaning that any trials or interim measures that result in multiple ongoing timelines for pricing policy changes months and/or years after the market investigation has concluded must be avoided.

(C) As explained at paragraph 1.10(e) above, [redacted] any form of price control in relation to medicine prices would risk the unintended adverse consequence of forcing Medivet (and other participants) to adjust upward prices of other, non-price-controlled products or services in order to avoid the price control resulting in losses across the business. It could also result in a materially reduced availability of products if practices were to avoid selling such products, which would be extremely detrimental to animal welfare.

(D) Despite the CMA's view that veterinary businesses are adding high mark-ups on medicine prices, veterinary practices face substantially higher costs and overheads and are subject to more stringent regulation (which results in additional costs)[41] in connection with selling medicines, than online retailers. In addition, other key costs are outside the control of veterinary surgeons (such as the wholesale price of medicines), and so price controls that freeze prices at a historic level (as appears to be the CMA's preferred option as set out in paragraph 4.118(a) of the Remedies Paper) would not sufficiently account for the real risk of cost increases outside the control of veterinary services. Moreover, Medivet considers that a price cap may actually incentivise price rises upstream, as it would artificially create a market in which there is zero elasticity of demand at the wholesaler level.

(E) As Medivet explained at paragraph 6.76 *et seq.* in its response to the February Working Papers, Medivet continues to experience increased competition from online

[41] As explained in further detail in Medivet's response to Question 4 of RFI 18.

pharmacies. This clearly demonstrates that consumer awareness of sourcing medicines online is already increasing. A medicine price control would be disproportionate when normal competitive forces and growing consumer awareness are already driving a positive direction of travel toward greater competition.

2.3 **Emerging issue 3**: **There is limited competition in out of hours (OOH) services for those vet practices which choose to outsource.**

(a) *Remedy 12: Restrictions on certain clauses in contracts with third-party out of hours care providers*

(i) Medivet agrees with the CMA that capping exclusivity periods and termination fees for OOH contracts could help to enhance competition in the sector. However, such restrictions must account for the challenges of providing 24-hour veterinary care. Overly restrictive limits that fetter commercial counterparties' ability to negotiate ordinary contract terms may hinder emergency care arrangements to the detriment of pet welfare.

(ii) Medivet provides details of suggested restrictions in its responses to Questions 66 and 67 in Part B below.

2.4 **Emerging issue 4: Pet owners may be overpaying for cremations.**

(a) *Remedy 13: Transparency on the differences between fees for communal and individual cremations*

(i) Under the RCVS Code, vets are already obliged to be transparent in relation to fees, including in relation to cremation services. Beyond suggesting revisions to the RCVS Code and guidance, the Remedies Paper offers no insight into how the CMA might enhance transparency.[42] As a result, Medivet cannot provide detailed comments on this remedy. However, any measures must be proportionate, with proportionality assessed in light of the CMA's concern that any benefit could be "limited" given the emotional distress pet owners face when arranging cremations – a concern that Medivet shares.[43]

(ii) To further increase transparency, one possibility may be to require veterinary practices to give pet owners the name of one or several local crematoria. However, if pet owners proceed with another service provider, they would need to be personally responsible for arranging the service and transporting their pet to avoid undue administrative burden on practices.

(b) *Remedy 14: A price control on retail fees for cremations*

[42] Remedies Paper, paragraph 5.10.

[43] Remedies Paper, paragraph 5.11.

(i) As with medicines, Medivet considers that a price control on retail fees for cremations would be disproportionate and an ineffective solution to the CMA's perceived concerns. Please refer to the reasons given in respect of Remedies 7-11 above. In any case, Medivet considers that any perceived concerns the CMA may have with cremation fees would be sufficiently and adequately remedied by increasing transparency in relation to such fees.

2.5 **Emerging issue 5: The regulatory framework is outdated and does not have enough focus on consumers.**

(a) *Medivet's overarching comments on the regulatory remedies 15-28*

(i) Medivet welcomes reforms to modernise the current regulatory framework. However, as stated in its response to the February Working Papers and at its hearing with the CMA, this will require time-consuming legislative reforms that take into account the wide range of considerations underpinning veterinary care, in particular animal welfare, not solely the consumer and competition aspects the CMA is concerned with.[44] Such comprehensive regulatory reforms are already being considered by the RCVS, DEFRA and the BVA outside the context of the CMA's investigation. The reforms are therefore already in train, and the CMA's proposed remedies, which only have regard to the consumer aspects of regulation, are not the appropriate or sole driver for enacting such reforms. In the meantime, Medivet reiterates that a swift solution, focusing on targeted regulatory improvements within the existing regime, would best serve both the sector and consumers. Current mechanisms in the RCVS Code and the existing PSS already address or can effectively address the CMA's potential concerns through certain targeted improvements. In particular, improving the current PSS will enable efficient and simple regulation of businesses (and avoid disproportionate burdens on independents) while benefiting consumer choice and decision-making.

(ii) A number of remedy proposals involving more burdensome changes would disproportionately impact smaller independent practices compared to LVGs and larger independents, who would be better positioned to comply with or such changes.[45] Increasing the regulatory requirements beyond what is strictly necessary risks overstretching the most vulnerable players in the sector and increasing barriers to entry to independents, thereby seriously undermining the purpose of the CMA's investigation.

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[44] As the CMA states in paragraph 6.46 of the Remedies Paper, it is not for the CMA to comment on "*the appropriate clinical, animal welfare and public health elements of any scheme*."

[45] This is not the case for making Core PSS accreditation mandatory, as this reflects requirements that all veterinary practices must comply with.

(A) Increased regulation could inadvertently increase business overheads and, consequently, client prices. As noted by the CMA in paragraph 6.118 of the Remedies Paper, increased regulation will require additional resources and funding for the regulator. Some of the more drastic proposals, such as introducing an adjudicator or ombudsman, will require significant funding. Such funding will ultimately be borne by veterinary practices, for example through increased registration fees which in the main is funded by veterinary surgeons themselves in independent practices, or by employers in large groups. While larger groups may more easily absorb these costs, this is less feasible for independent vets. This could also unintentionally adversely affect vets and registered veterinary nurses not working in commercial FOPs such as in charities, NGOs and farms.

(B) A comprehensive review of how registration fees are structured would need to be undertaken to prevent inadvertent increases to client prices due to these increased overheads.

(C) Increased minimum regulatory requirements, beyond a Core PSS standard, could function as a barrier to entry for new veterinary practices, and as mentioned, greater ongoing cost to independents, diminishing their ability to invest in their business and compete. While some part of the cost, such as registration fees and PSS subscription fees, could be based on the number of vets and practices, the cost of ensuring compliance will largely be a fixed cost. If the cost of ensuring compliance is too high, this will impact smaller independent vets harder than LVGs or large independent practices. As described in paragraph 1.10(e) above, this could risk placing a disproportionate burden on independents that may restrict their service offering and work as a barrier to entry in the sector.

(iii) Consequently, the CMA mandating significant regulatory changes is neither necessary nor proportionate. Improvements to the sector are already occurring and full regulatory reform is in train. The CMA should focus on making targeted improvements to the existing regulatory regime, particularly to ensure transparency and upweight the PSS so that this can be a useful scheme applicable across the sector.

(b) *Remedy 15: Regulatory requirements on vet businesses, and Remedy 16: Developing new quality measures*

(i) Medivet strongly believes that improving the PSS is the most effective, proportionate and practical way of quickly and simply

enhancing the regulation of veterinary practices as well as developing a quality measure which can benefit consumers in their decision-making. The RCVS designed the PSS as a client-facing scheme which Medivet believes can be tailored to deliver the transparency and quality standards the CMA has identified as lacking in the sector.

(A) As described in Medivet's response to the February Working Papers at paragraphs 7.13-7.15, the PSS plays an important role as a quality indicator, both to identify that a minimum standard is met by a practice and to differentiate between the quality offered by practices.

(B) While there are parts of the PSS that can benefit from improvements, it is already an efficient scheme with a positive impact on the sector. Improving an existing and functional system, which some consumers are already aware of, will be easier and quicker for consumers to make use of than a completely new system that must be implemented and advertised from scratch.

(C) In order to make the framework fair and equitable, standards for Core accreditation must remain realistically achievable by both corporate and independent practices alike. Core PSS certification reflects the minimum requirements placed on vets and practices under the RCVS Code, HSE and VMD requirements. As these are requirements that all veterinary practices will have to fulfil, PSS certification is efficient and not unduly burdensome on independent practices. Rather, it streamlines the inspections necessary under the various regulations by combining them together under the PSS certification, thereby reducing the inspection cost on practices.

(D) Medivet does, however, believe that it is important that there are not too many different levels of accreditation and awards, as this risks increasing the burden of the scheme, in particular on independent practices that may not be able to invest to the same degree as practices which are part of corporate groups (see paragraphs 1.10(d) and 1.10(e) above).

(E) Medivet supports the requirement for all practices to display their PSS accreditation status in the practice and prominently on their website. The alternative would be mandating PSS enrolment and participation for all practices. There are significant benefits to making the PSS mandatory, in particular that this would ensure that requirements are applied equally across the sector.

Making the PSS mandatory would only impose costs on practices not currently meeting Core standards, which, as explained, all vets and veterinary practices should already meet.

(F) Greater public emphasis should be placed upon the PSS to ensure consumers are aware of what PSS accreditation signifies (and the implications if a practice is not accredited) through increased publicity by veterinary practices, the RCVS and the CMA.

(G) Increasing and upweighting the PSS will likely increase the costs of administering the scheme, in particular if there are many categories of certification and if the PSS also is to encompass increased monitoring and enforcement, as described in paragraph 2.5(d) below. This would also require a larger PSS team, which will take time to establish. If the PSS is expanded too much, there is a risk that it will become too expensive and burdensome to administer, rendering it ineffective in practice.

(ii) Medivet believes that increasing the role of the Senior Appointed Veterinary Surgeon (***SAVS***) at both practice- and group-level would address the CMA's potential concerns. For example, SAVSs could have a more clearly defined responsibility for the consumer-facing aspects of the business (see, for example, Medivet's response to Question 37 below). All vet businesses have (or should have) a SAVS at both practice- and group-level who is ultimately responsible for the clinical aspects of the business and is accountable for clinical decisions. This ensures that professional and clinical autonomy is not jeopardised by commercial interests. Medivet believes it would be beneficial to strengthen the role of the SAVS, which would increase group-level responsibility while retaining the personal responsibility of clinicians that Medivet believes is key to ensuring efficient clinical care. Strengthening the role of the SAVS would be much quicker to implement for the CMA, as it would not require change to the Royal Charter / VSA, and could be done through the PSS and RCVS Guidance.

(c) *Remedy 17: A consumer and competition duty*

(i) As previously described 2.5(a)(i) above and in paragraph 1.14 of the response to the February Working Papers, Medivet in principle supports legislative reforms, including an increased consumer and competition duty. As expressed above in paragraph 2.5(a)(ii), Medivet strongly believes that such reforms should not be enacted as part of the CMA's ongoing investigation as any reform will have to take into consideration all aspects of

veterinary care, not only the consumer and competition aspects of the services provided.

(ii) Medivet would also like to remind the CMA that the RCVS Code already contains provisions regulating consumer-facing activity. The RCVS already has the power to develop guidelines that take into account consumer considerations. It is therefore unclear what an increased consumer and competition duty would entail.

(iii) Medivet is concerned that any increased competition and duty would come at the expense of animal welfare, which should always remain the overriding focus of regulation in the sector.

(d) *Remedy 18: Effective and proportionate compliance monitoring and Remedy 19: Effective and proportionate enforcement*

(i) Medivet notes that stakeholders such as Defra, the RCVS, the BVA and the BVNA are currently already considering developing a modern and forward-looking fitness-to-practise regime, including compliance monitoring and enforcement, as part of the wider package for new primary legislation. This will cover a wider range of sanctions, and the CMA therefore should not prematurely introduce new sanctions to breaches of what will only be a minor part of the RCVS Code.

(ii) Vets currently have to complete an annual declaration stating that they will continue to abide by the RCVS Code. It is therefore not entirely correct when the CMA states in paragraph 6.63 of the Remedies Paper that the veterinary sector lacks mechanisms for compliance monitoring beyond complaints. Medivet does however struggle to see how increased declarations of compliance, by itself, will be useful for the RCVS to monitor.

(iii) The PSS already has mechanisms in place for most of the monitoring and enforcement measures that have been identified by the CMA, and upweighting these, in conjunction with the possibility of making PSS mandatory, will sufficiently solve any potential issues identified by the CMA. Changes can be adopted and enacted swiftly, with minimal disruption to the sector.

(A) The PSS already has a mechanism for warnings, sanctions and disciplinary actions in case a practice does not meet the Core standards required.

(B) The PSS already has a system in place for conducting spot inspections. This could be upweighted by the RCVS to a more regular frequency. To be proportionate, the system of spot inspection should be applied to all practices (which would only happen if the PSS was mandatory to all practices). More spot inspections will however likely lead

to an increased cost of administering the PSS and will be an increased burden on practices.

(C) The PSS already contains a section on clinical governance. This can be upweighted to ensure that practices appropriately utilise complaints data in a way to drive quality improvement – which would be more efficient and appropriate than an arbitrary submission of complaints data, see paragraph 2.5(g) below.

(e) *Remedy 20: Requirements on vet businesses for effective in-house complaints handling*

(i) As explained by Medivet in the response to the February Working Papers, the RCVS Code already includes an obligation of complaints handling. Medivet submits that setting out detailed requirements for an in-house complaint handling procedure will be overly burdensome on veterinary practices, in particular on independents.

(ii) In the event such detailed requirements were introduced, the most efficient and effective way of doing so would be through the PSS.

(iii) Medivet supports measures to increase the visibility of complaints handling for clients, such as providing information on complaints procedure on the webpage and in practice.

(f) *Remedy 21: Requirement for vet businesses to participate in the VCMS, Remedy 22: Requirement for vet businesses to raise awareness of the VCMS, Remedy 24: Supplementing mediation with a form of binding adjudication and Remedy 25: Establishment of a veterinary ombudsman*

(i) As already explained in the response to the February Working Papers at paragraph 7.20, Medivet supports increasing the role of the VCMS, including by making the VCMS mandatory and more visible. Medivet agrees with the reasoning set out in paragraph 6.92 to 6.94 of the Remedies Paper on the benefits of the VCMS. There are, however, concerns around practicality and implementation, as not all cases are suitable for mediation. Please refer to Medivet's response to Question 88 below.

(ii) If VCMS mediation of complaints by the VCMS becomes mandatory, Medivet would expect mediation to be mandatory for both vet businesses and consumers.

(iii) Medivet does, however, have concerns that increasing the role of the VCMS will increase the cost to consumers (see Medivet's response to Question 88 below) and increase case handling time.

(iv) Medivet cannot see that there would be any benefits to introducing a binding adjudicator or ombudsman in the sector –

in particular because such a complex and costly remedy would be wholly disproportionate to implement for such a small number of cases that would be relevant.

(A) The issues to be assessed by adjudication would often be complex clinical cases that would take into account clinical and ethical factors. Unlike for human medicine, there are no written formal minimum standards of care / required actions. There is therefore often no clear answer as to whether a clinical or ethical fault has been made. There are also considerable concerns about the ability of an adjudicator to be capable of adjudicating these types of disputes.

(B) Less than 16% of all complaints cases that are brought before the VCMS are not solved in mediation. In Medivet's opinion, this is usually because the client's requests are not possible to be accommodated (and these requests often involve emotional distress or grief around the health or mortality of a beloved pet). VCMS' indicative analysis indicates that that the majority of cases that are not settled in mediation would be dismissed in an adjudication setting.

(C) A binding adjudicator or ombudsman would therefore be a complex and costly mechanism that would only deal with a limited number of cases. Regardless of the specifics of how such a mechanism is financed, it would lead to an increased cost on vets and vet businesses, which is likely ultimately to be passed on to consumers (see paragraph 2.5(a)(ii)(A)).

(g) *Remedy 23: Use of complains insights and data to improve standards*

(i) Medivet agrees with the principle that complaints can be a useful source of data which can be used to improve services or identify areas for improvement. It is, however, not clear to Medivet what data the CMA is envisaging that the RCVS should collect or how it should use this data.

(ii) Medivet is also worried that an obligation on the RCVS to collect or use complaints data, would require an increase in resources for the RCVS, which, as previously explained, would lead to increased costs for vets and veterinary businesses.

(iii) As explained above in paragraph 2.5(d)(iii)(C) and below in response to Question 92, Medivet believes it would be more beneficial to mandate practices to actively review and use complaints data to improve their quality of service.

(h) *Remedy 26: Protection of the vet nurses title, Remedy 27: Clarification of the existing framework and Remedy 28: Reform to expand the vet nurse role*

(i) Medivet supports reforms to broaden the role of the veterinary nurse, but believes such reforms are better dealt with outside the scope of the CMA's market investigation. As described in the response to the February Working Papers in paragraphs 7.23 to 7.25, Medivet believes that increased use of veterinary nurses will be beneficial to the sector. There are, however, risks involved in increasing the tasks that veterinary nurses can perform unsupervised, in particular if there is no requirement that a veterinary surgeon must be available in cases where the nurse requires assistance or a procedure goes wrong.

3. Part B

Table 2: Medivet's answers to the CMA's consultation questions included in the Remedies Paper

No.	CMA question	Medivet's response
Implementation of remedies		
1.	We welcome comments regarding our current thinking on the routes to implementing the potential remedies set out in this working paper.	As explained in paragraph 1.10(d) above, Medivet's view is that any remedies must be capable of implementation swiftly, simply and unambiguously so that the sector can return to focusing on patient care, investment and growth after many months of legal uncertainty. Any unnecessary complexities associated with implementation must be avoided in order to minimise unintended consequences, including negative sentiment towards vet professionals and corporates, disincentivising entry into the profession and chilling commercial freedom and ordinary course business strategy. Medivet comments on the implementation of specific remedy proposals in response to the questions below.
Trialling of information remedies		
2.	We invite comments on whether these (or others) are appropriate information remedies whose implementation should be the subject of trials. We also invite comments on the criteria we might employ to assess the effects of trialled measures. Please explain your views.	Given the uncertainty in the market resulting from the very long period during which the sector has been under investigation by the CMA, Medivet urges the CMA to reach a swift and effective conclusion to the MIR. In this regard, Medivet strongly opposes the use of remedy trials or interim measures as they would have the practical effect of delaying the return of the sector to normality and detract from Medivet's focus on delivering the best clinical outcomes for its clients. As described at paragraph 1.10(d) above, shorter term trials also risk eroding pet owners' trust in the sector and the regulatory bodies overseeing it (including, potentially, the CMA) if remedies require the changing of business practices multiple times.

No.	CMA question	Medivet's response
Remedy 1: Require FOPs and referral providers to publish information for pet owners		
3.	Does the standardised price list cover the main services that a pet owner is likely to need? Are there other routine or referral services or treatments which should be covered on the list? Please explain your views.	As set out at paragraph 2.1(a) above, Medivet agrees with the CMA that transparency of pricing is a good outcome for pet owners in principle, but it has concerns about how a number of the treatments and services in the CMA's Appendix A to the Remedies Paper would work in practice. Medivet submits that the: • Services listed in the proposed price list extend beyond common services which can meaningfully be compared across different service providers and clients' needs. • The list does not always account for common variables such as species, necessary chronic adaptations, weight, size, age of the pet, or the skill, qualification or experience of the vet / vet nurse who will provide the service. • Even if the list were to be made more detailed, as explained at paragraph 2.1(a)(vi) above, Medivet is concerned that a detailed price list (but still necessarily non-exhaustive, which itself would be impossible to produce) may have unintended adverse consequences such as inadvertently serving as a proxy for best practice that effectively inhibits client choice of items not contained on the list. Medivet provides its detailed comments on the feasibility of publishing prices for all of the treatments contained in Appendix A to the Remedies Paper at **Annex 1** of this response. Please refer to Medivet's responses to Questions 4–11 below for further details.
4.	Do you think that the 'information to be provided' for each service set out in Appendix A: Proposal for information to be	Medivet considers that it would be challenging to provide the information required in relation to a number of services set out in Appendix A. For many of these services, an estimate will be required rather than a single fee, and many treatments (e.g. those for

No.	CMA question	Medivet's response
	provided in standardised price list is feasible to provide? Are there other types of information that would be helpful to include? Please explain your views.	chronic conditions) are difficult to estimate as they can involve varying elements depending on a pet's needs. For full details, please refer to Annex 1.
5.	Do you agree with the factors by which we propose FOPs and referral providers should be required to publish separate prices for? Which categories of animal characteristics would be most appropriate to aid comparability and reflect variation in costs? Please explain your views.	Whilst the publication of separate prices would help account for variations across different animal characteristics, Medivet's view is that this would risk undermining the intended purpose of the standardised price list, which is to facilitate increased pricing transparency to clients, by making it overly complicated for clients to accurately determine the price which would apply based on their individualised needs. Medivet considers that this is an inherent problem with requiring a standardised price list remedy in the veterinary industry as the complexity of veterinary care and the high degree of variation amongst different animal characteristics makes it impractical to standardise prices in a meaningful way without confusing clients. Accounting for all the necessary categories of animal characteristics to aid comparability and reflect variation in costs would exacerbate pricing uncertainty in the industry, overall risking damage to the relationship of trust between pet owners and vets.
6.	How should price ranges or 'starting from' prices be calculated to balance covering the full range of prices that could be charged with what many or most pet owners might reasonably pay? Please explain your views.	Medivet considers that it is unachievable to balance: (i) covering the full range of prices that could be charged; with (ii) providing clients with an indication of what many or most pet owners might reasonably pay.
7.	Do you think that the standardised price list described in Appendix A: Proposal for information to be provided in standardised price list would be valuable to pet owners? Please explain your views.	No – Medivet considers that the standardised price list proposed by the CMA contains numerous treatments and services that would be both impractical and of limited benefit to clients to use to choose and compare veterinary service providers, as prices often depend on clinical judgement and individual pet needs (as was described in paragraphs 6.72-6.73 of Medivet's response to the February Working Papers). Pet owners cannot predict in advance which treatments their pet will require without a professional

No.	CMA question	Medivet's response
		diagnosis. Additionally, many treatments and procedures vary in cost depending on the specific condition, pet size and required medication / dosage required. As the CMA itself notes at paragraphs 3.19-3.20 of the Remedies Paper, "*costs and prices for the same product or service may vary depending on various factors"* and may require additional calculations and explanatory information to take account of this, which would be challenging for clients to navigate. For a number of treatments and services, an attempt to standardise a price list would therefore create a source of confusion for clients rather than clarity if the actual cost of a treatment were to differ from the standardised price (which can and does happen for a wide range of clinical reasons) and could risk detrimental consequences for pet owners, as set out in detail in response to Question 9 below. Notwithstanding its concerns in relation to the proposed standardised price list, Medivet is committed to supporting enhanced pricing transparency for veterinary medicines and associated fees. Medivet submits that it would be more appropriate for the CMA's transparency remedies to be aimed at increasing price transparency for common items and refining the system of providing pet owners with individual and personalised quotes. As set out in paragraph 6.75 of Medivet's response to the February Working Papers and at paragraph 2.1(a)(i)(A) above, Medivet's view is providing consistent price lists for "entry point" services (both online and in practice), akin to the 10 most common cost items currently available on Medivet's website, is likely to be a more effective mechanism for providing actionable pricing transparency for clients. This would address the CMA's price transparency concern by allowing pet owners to make comparisons between different providers and choose FOPs or referral providers that best fit their preferences without the added risk of misleading clients by attempting to standardise highly variable service prices. This would also better achieve the aim of swift and simple implementation, whilst effectively promoting pricing transparency and consumer choice in the sector.
8.	Do you think that it is proportionate for	No - please refer to Medivet's response to Question 4 above.

No.	CMA question	Medivet's response
	FOPs and referral providers to provide prices for each service in the standardised price list? Please explain your views.	
9.	Could the standardised price list have any detrimental consequences for pet owners and if so, what are they? Please explain your views.	Yes - please refer to Medivet's response to Question 7 above. Furthermore, Medivet is concerned that the publication of the standardised price list as proposed by the CMA in Appendix A would oversimplify and undermine referral offerings, which may inadvertently deter clients from choosing the best treatment option for their pet. While some procedures can be undertaken by FOPs, in certain cases pets may be better served by a referral clinician. For instance, practitioners with particular specialisms and practices with higher service standards may provide a more suitable service for certain clients' needs. The standardised price list as proposed by the CMA in Appendix A would inhibit clients from adequately taking quality considerations into account by providing an oversimplified mechanism for comparing service offerings which may encourage clients to choose providers primarily based on pricing considerations, without taking into account the nuances associated with the particular treatment needed, and may be detrimental to the welfare of the pet. As explained at paragraph 2.1(a)(vi) above, Medivet is concerned that the standardised price list may be used as a proxy for "best practice" treatments, inadvertently limiting clients' choice of more appropriate, unlisted treatments. The standardised price list could therefore have the unintended consequence of undermining efforts to increase transparency and choice.
10.	Could the standardised price list have any detrimental consequences for FOPs and referral providers? Are you aware of many practices which do not have a website? Would any impacts vary across different types or sizes of FOP or referral provider?	Yes – please refer to Medivet's response to Questions 4-9 above. Medivet also considers that the term "specialist treatments and procedures" used in Appendix A could be misleading to clients, as they could mistakenly believe that these services are undertaken by a specialist when this is not necessarily the case. Specialist care providers could also be adversely impacted as clients may opt for a more cost-

No.	CMA question	Medivet's response
	Please explain your views.	effective service over a specialist care provider whose services may be priced higher.
11.	What quality measures could be published in order to support pet owners to make choices? Please explain your views.	Pet owners already have publicly available resources such as NPS scores and Trustpilot to measure quality of veterinary service providers; and as described in paragraph 2.5(b)(i)(A) above, PSS also plays an important role in this regard. However, should the CMA deem that further measures are required, two options may be: (i) for FOPs and referral providers to publish the qualifications of vets and support staff involved in procedures; and/or (ii) to make the PSS's Client Service award a mandatory requirement for FOPs. Additionally, service providers could also be required to declare that not all quoted treatment offerings are definitively the best for every pet. For instance, chronic arthritis prices may be based on numerous medications, but other options (e.g. nutraceuticals, physiotherapy, etc.) may be more suitable depending on the client's circumstances.
Remedy 2: Create a comparison website supporting pet owners to compare the offerings of different FOPs and referral providers		
12.	What information should be displayed on a price comparison site and how? We are particularly interested in views in relation to composite price measures and medicine prices.	Whilst Medivet believes that pet owners should be provided with increased pricing transparency, it considers that PCWs would be ineffective in promoting this aim and disproportionately burdensome, as explained in paragraph 2.1(b) above. Veterinary pricing is inherently complex, particularly beyond a narrow range of standardised "shoppable" services (e.g. vaccinations, microchipping, etc.). Furthermore, as set out in response to Questions 4–10 above, pricing often reflects a wide range of factors, such as case complexity, local operating costs and the scope of services provided, which could make price comparisons irrelevant or even misleading to clients. Composite price measures and treatment bundles may also misrepresent individualised care and clinical judgement. Furthermore, Medivet submits that it is already possible to compare veterinary services, through existing review platforms such as Google Reviews and Trustpilot which provide

No.	CMA question	Medivet's response
		effective insights into intangibles such as service quality and client experiences which are not readily comparable via a PCW but are valued differentiators confirmed by the CMA's pet owner survey to be a priority by pet owners in their decision-making.
13.	How could a price comparison website be designed and publicised to maximise use and usefulness to pet owners? Please explain your views.	It is Medivet's view that a central PCW would have little practical value for pet owners for the majority of relevant treatments and veterinary services due to the limited number of readily comparable services. There are also practical difficulties with comparing treatments that are or should be contextualised and tailored based on a specific pet's and their owner's needs. Requiring service providers to maintain accurate, up-to-date information across their full estate of practices on a comparison website would be disproportionately burdensome, in particular for smaller independent practices or those with limited IT capabilities, who would experience significant difficulty in publishing and maintaining accurate information. As noted at paragraph 2.1(b)(iv) above, enhancing the Find-a-Vet site would be a more effective and proportionate solution, capable of swift and simple implementation.
14.	What do you think would be more effective in addressing our concerns – (a) a single price comparison website operated by the RCVS or a commissioned third party or; (b) an open data solution whereby third parties could access the information and offer alternative tools and websites? Why?	Medivet considers that neither of the proposed models would be effective in addressing the CMA's concerns. Both centralised and open data models present significant risks to clients. In particular the risk of oversimplification of service which may potentially be misleading to clients as to the service being provided. Alternatively, providing clients with the full extent of complex information (that would be necessary to make an informed comparison) would be overly detailed and incompatible with a workable PCW and therefore risk jeopardising the usefulness of the comparison and potentially confusing to clients. Furthermore, imposing a price comparison remedy would impose a disproportionate administrative burden on service providers, as set out in response to Questions 12 and 13 above. Medivet submits that requiring practices to publish clear, practice-specific pricing for a list of key services using standardised formatting and definitions would be a more effective means of promoting pricing transparency in the industry. This would minimise

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		the administrative burden for service providers while also avoiding the unintended consequences associated with oversimplification. Service providers would be able to publish information in a clear and comprehensive manner while tailored to its service offering. Should there be further client demand for comparing key services across veterinary service providers beyond using current websites such as Trustpilot or Google reviews, then dedicated veterinary services PCW providers may emerge organically in the future but that does not justify the need for the CMA to prescribe for such an eventuality. See also Medivet's comments above in relation to enhancing the Find-a-Vet site.
15.	What are the main administrative and technical challenges on FOPs and referral providers in these remedy options? How could they be resolved or reduced?	As explained in response to Questions 12 and 13 above, the CMA's proposed PCW would impose a disproportionate administrative and burden on FOPs and referral providers. Prices depend on, among other things, individual clinical cases, location, staffing and equipment. Furthermore, maintaining pricing data across multiple services would be unduly challenging, especially where services are not uniform. As a result, it would be costly (with any associated costs likely being passed on to consumers) and would take a very long time to implement (if implementable at all). As set out at paragraph 2.1(b)(ii) above, Medivet considers that the imposition of this remedy may cause unintended adverse consequences, in particular with regard to independently-owned vets, and pet owners. If a PCW were introduced, it would be essential that the services of both LVGs and independent providers are included, as participation of LVGs alone would serve to promote LVG services at the expense of independents, distorting competition. However, independent vets would need to bear both administrative and financial costs of participation, which would be significantly harder for them to absorb compared to large corporate groups. This may mean the financial costs are passed-on to pet owners, ultimately leading to unintended but unavoidable price increases. It would also act as barrier to entry. For Medivet's views on how any remedy could be amended to reduce the impact of

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		these issues, please refer to its response to Question 14 above.
16.	Please comment on the feasibility of FOPs and referral centres providing price info for different animal characteristics (such as type, age, and weight). Please explain any specific challenges you consider may arise.	Please refer to Medivet's responses to Questions 4–8 above.
17.	Where it is appropriate for prices to vary (e.g. due to bundling or complexity), how should the price information be presented? Please explain your views.	Please refer to Medivet's responses to Questions 4–8 above. In order for the comparison to be useful to clients and proportionate in its implementation, Medivet considers that the pricing should be focused on a subset of common services / SKUs; and that the format of pricing should be aligned to common cases (e.g. "starting from" phrasing).
18.	What do you consider to be the best means of funding the design, creation and ongoing maintenance of a comparison website? Please explain your views.	Medivet considers that a PCW would not be effective or proportionate in addressing the CMA's concerns. Please refer to Medivet's response to Question 14 above. However, if the CMA ultimately decides that a price comparison tool is in the public interest, its design and maintenance should be fully funded through existing budgets or public funds. Funding a price comparison tool through a regulatory levy would add cost to veterinary practices that will likely result in pass-on and higher prices for clients.
Remedy 3: Require FOPs to publish information about pet care plans and minimise friction to cancel or switch		
19.	What would be the impact on vet business of this remedy option? Would the impact change across different types or sizes of business? Please explain your views.	Medivet supports FOPs publishing more information about pet care plans and considers that this would increase transparency for clients. As Medivet explained at paragraph 3.49(b) of its response to the February Working Papers, Medivet does not charge joining or exit penalty fees and so considers that there are no friction points in cancelling or switching from its health plan.

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20.	How could this remedy affect the coverage of a typical pet plan? Please explain your views.	Please refer to Medivet's response to Question 19 above.
21.	What are the main administrative and technical challenges on FOPs and referral providers with these remedy options? How could they be resolved or reduced?	Please refer to Medivet's response to Question 19 above.
Remedy 4: Provide FOP vets with information relating to referral providers		
22.	What is the feasibility and value of remedies that would support FOP vets to give pet owners a meaningful choice of referral provider? Please explain your views.	Medivet would support a remedy requiring referral information being made available to FOP vets and/or pet owners, but considers that a PCW would not be an effective remedy, as explained in response to Questions 12–18 and at paragraph 2.1(d)(i) above. Medivet's view is this remedy option should be designed to include factors beyond pricing information given that there are a variety of considerations relevant to choosing a referral provider, such as: • the suitability of the pet to travel; • the type of referral service required and whether the pet can be accommodated by any given referral centre; and • whether the pet's condition would benefit from the input of multiple specialist disciplines, and whether a referral centre can cater for this. Medivet's concern is that implementation via a PCW would be inappropriate, since a price comparison tool is no substitute for a contextualised clinical discussion with a FOP vet. Choosing a referral service provider is often a complex and multi-faceted decision, since

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		it often requires consideration of a variety of clinical, price and logistical (e.g. travel) factors that are unique to each client and their pet. These decisions are best taken through discussion between the client and their FOP vet, in order to provide clients with the guidance needed to make the best choice. Clients may not be able to make an informed choice on the suitability of referral centres based only on pricing information or other simplistic comparators via a PCW. Therefore, Medivet submits that referral centres should be required to publish a list of easily standardisable treatments / services that pet owners can research themselves, as Medivet already does (such as for cruciate surgery, CTs and MRIs) and including disciplines and 24-hour care options – and ultimately the transparency of such information will be a useful input for the discussion and clinical advice that a FOP vet can deliver as part of a contextualised discussion to help a client make an informed decision based on all factors that are uniquely relevant to them. As explained at paragraph 2.1(d)(iii) above, Medivet does not consider it to be an effective use of FOP vets' time, nor should it be their responsibility, to source pricing information from all local referral services providers, particularly when they may not have a working relationship of trust / experience with the full range of providers.
23.	Are there any consequences which may be detrimental and if so, what are they?	While Medivet supports greater transparency of information relating to referral providers, its view is that there may be unintended consequences associated with this remedy option, in particular if implemented via a PCW. In particular, Medivet is concerned that if clients are encouraged to choose a referral provider based on the list of services published, there is a risk that less emphasis will be placed on the contextualised clinical advice and guidance of the FOP vet (e.g. if clients make referral decisions based solely on price lists). If that is the case, then this may lead to a risk to pet welfare and an undermining of the relationship of trust between client and vet – given that, in Medivet's view, simplistic referral service information (while a helpful input) is not a substitute for the clinical advice and contextualised care that Medivet's FOP vets deliver to help advise and guide clients in

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		choosing referral options.
24.	What do you consider are likely to be the main administrative, technical and administrative challenges on referral providers in this remedy? Would it apply equally to different practices? How could these challenges be reduced?	Please refer to Medivet's response to Question 15 above.
25.	If you are replying as a FOP owner or referral provider, it would be helpful to have responses specific to your business as well as any general replies you would like to make.	Please refer to Medivet's response to Question 22 and paragraph 2.1(d)(i) above.
26.	What information on referral providers that is directly provided to pet owners would effectively support their choice of referral options? Please explain your views.	Please refer to Medivet's response to Question 22 and paragraph 2.1(d)(i) above.
Remedy 5: Provision of clear and accurate information about different treatments, services and referral options in advance and in writing		
27.	If a mandatory requirement is introduced on vet businesses to ensure that pet owners are given a greater degree of information in some circumstances, should there be a minimum threshold for it to apply (for example, where any of the treatments exceed: £250, £500, or	As explained at paragraph 2.1(e)(iii) above, Medivet agrees in principle with providing clear and accurate information about different treatments, services and referral options. However, it considers that this objective is already met through the obligations imposed on vets under provision 2.2(b) of the RCVS Code, which provides that a range of reasonable treatment options must be offered and explained to clients, including prognoses and possible side effects, as set out at paragraph 3.6 and footnotes 32-33 of Medivet's response to the February Working Papers.

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	£1,000)? Please explain your views.	As the CMA suggests, exceptions must be available in emergency situations. Without this, pet welfare would be impacted by treatment being delayed as a result of write-ups. Other exceptions should also be considered, e.g. in situations in which only one treatment is clinically appropriate to avoid potentially inappropriate options being given for mere "compliance" purposes. In light of this, Medivet considers that a preferable option would be to require vets to give this information in writing upon request. In Medivet's experience, oral delivery has advantages over written delivery in that it allows for real-time discussions with pet owners. However, Medivet agrees that a pet owner who wants this information in writing should receive it.
28.	If a requirement is introduced on vet businesses to ensure that pet owners are offered a period of 'thinking time' before deciding on the purchase of certain treatments or services, how long should it be, should it vary depending on certain factors (and if so, what are those factors), and should pet owners be able to waive it? Please explain your views.	From Medivet's perspective, this reflects what already happens in practice. Except for in emergency situations, pet owners are provided with "thinking time" which only lapses upon expiry of the fee estimate, which typically expires after 28 days. Medivet's concern is that if a mandatory "thinking time" were imposed, vet businesses may unfairly face scrutiny from pet owners for being "slow to react" in situations where pets unexpectedly and rapidly deteriorate from a stable condition – with such deterioration incrementally increasing the cost of treatment beyond the initial estimate.
29.	Should this remedy not apply in some circumstances, such as where immediate treatment is necessary to protect the health of the pet and the time taken to provide written information would adversely affect this? Please explain your views.	As explained in paragraph 2.1(e)(i) above, Medivet's view is that verbal explanation of treatment options is sufficient and effective. Delivering information verbally facilitates necessary discussion with clients to address concerns and provide additional detail in real time, which is necessary to properly enable informed decision-making and protect the health of the pet in many cases. A delay in administering first aid or pain relief treatment to undertake non-welfare related administrative tasks such as a write-up would risk animal welfare.
30.	What is the scale of the potential burden on vets of having to keep a record of treatment	Medivet considers that it would be unduly burdensome to require vets to keep a record of treatment options offered to each pet owner due to the vast range of treatment

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	options offered to each pet owner? How could any burden be minimised?	options available. In many cases, it is not possible to provide a definitive diagnosis. Some treatment options may also be discounted by vets on a contextualised care basis, which would be time-consuming to account for and therefore add administrative burden without clear client benefit. Medivet notes that even the current requirement for vets to record the fact that options have been offered in clinical notes is a significant constraint on a vet's time, given the industry standard length of consultation is only 10-15 minutes.
31.	What are the advantages and disadvantages of using treatment consent forms to obtain the pet owner's acknowledgement that they have been provided with a range of suitable treatment options or an explanation why only one option is feasible or appropriate? Could there be any unintended consequences?	Any acknowledgement prompts (i) need to be provided in an easy to provide format (such as part of a pet owner's consent form) and (ii) should not require a pet owner to confirm that options were given in writing (for the reasons set out above). However, Medivet is concerned that a tick-box acknowledgement framework would be ineffective to confirm that the vet has discussed and offered different options to the pet owner's satisfaction, since, given the credence nature of veterinary services and oftentimes technical nature of veterinary advice, in practice pet owners cannot be expected to know clinically whether the discussion of options was appropriate or even necessary in the context. Such an acknowledgement framework also gives the impression of shifting an element of responsibility onto pet owners, despite them having paid for, and rightly being entitled to expect, a professional level of service. This shift risks undermining the relationship of trust.
32.	What would be the impact on vet businesses of this remedy option? Would any impacts vary across different types or sizes of business? What are the options for mitigating against negative impacts to deliver an effective but proportionate remedy?	As explained in response to Questions 30 and 31, requiring vets to record, in writing, the treatment options offered would impose a disproportionate burden on vets and vet businesses. This would also increase the time needed per consultation to allow vets sufficient time to prepare a client-facing write-up of treatment options, reducing the number of consultations any given practice could deliver and increasing costs for clients without any corresponding increase in the level of care. As explained in paragraph 2.1(e)(iii) above, Medivet's view is that the RSVC Code already imposes a proportionate requirement on vets to provide clear and accurate

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		information about different treatments, services and referral options.
33.	Are there any barriers to, or challenges around, the provision of written information including prices in advance which have not been outlined above? Please explain your views.	Please refer to Medivet's responses to Questions 30 and 31 above.
34.	How would training on any specific topics help to address our concerns? If so, what topics should be covered and in what form to be as impactful as possible?	As explained in paragraph 2.1(e)(iii) above, Medivet's view is that the RSVC Code already imposes a requirement on vets to provide clear and accurate information about different treatments, services and referral options, so no additional training should be needed.
35.	What criteria should be used to determine the number of different treatment, service or referral options which should be given to pet owners in advance and in writing? Please explain your views.	Medivet's position is that it is important to ensure that the client is informed of the options available from both a price and quality perspective. However, Medivet does not support standardising the number of treatment options which must be provided as the industry does not have condition-specific minimum standards of treatment. It would be unfeasible to impose such a standard due the interspecies complexity involved. It would also risk undermining contextualised care to which Medivet is committed.
Remedy 6: Prohibition of business practices which limit or constrain the choices offered to pet owners		
36.	Are there any specific business activities which should be prohibited which would not be covered by a prohibition of business practices which limit or constrain choice? If so, should a body, such as the RCVS, be given a greater role in identifying business practices which are prohibited and updating them over time? Please explain your views.	As set out at paragraph 2.1(e)(ii) above, Medivet supports efforts to ensure that vets retain clinical freedom to provide or recommend treatments that are tailored to the clients' individualised needs. Medivet would be in favour of prohibiting business practices which: (i) seek to conceal information of a practice's ownership; or (ii) mandate referrals within a business group or network. As explained at paragraph 2.1(a)(ii) *et seq.,* Medivet's view is that a lack of transparency of a practice's ownership may mislead pet owners into believing that they are choosing between different providers when, in reality the practices are part of the same corporate ownership group.

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37.	How should compliance with this potential remedy be monitored and enforced? In particular, would it be sufficient for FOPs to carry out internal audits of their business practices and self-certify their compliance? Should the audits be carried out by an independent firm? Should a body, such as the RCVS, be given responsibility for monitoring compliance? Please explain your views.	As set out at paragraph 2.1(f)(iv) above, Medivet considers that this remedy proposal does not provide sufficient detail as to the types of business practices that would be prohibited, which would make it difficult to monitor and enforce compliance in practice. Medivet also notes that under the RCVS Code in the status quo, the SAVS is responsible for ensuring that business practices do not inhibit veterinary surgeons' choice. Medivet considers that this is an effective mechanism in protecting clinical freedom and submits that this responsibility could be enhanced if necessary to ensure greater compliance by vet businesses.
38.	Should there be greater monitoring of LVGs' compliance with this potential remedy due to the likelihood of their business practices which are rolled-out across their sites having an impact on the choices offered to a greater number of pet owners compared with other FOPs' business practices? Please explain your views.	As explained in paragraph 1.10(c) above, Medivet considers that any remedy must be sector-wide, as the CMA's concerns apply to independent veterinary practices and LVGs alike. Despite disparities in scale and size between independents and LVGs, many LVGs already employ robust transparency and governance frameworks, and should not face stricter monitoring based solely on scale. In fact, LVGs in many cases implement uniform, transparent policies across practices that are more fulsome than those in place at independent practices. Furthermore, as was explained in Medivet's hearing on the 11 March 2025, Medivet considers that independents might have stronger incentives to engage in the business practices the CMA is concerned about compared to LVGs, as in independent practices the same individual(s) is/are frequently business owner, clinician and price-setter.
39.	Should business practices be defined broadly to include any internal guidance which may have an influence on the choices offered to pet owners, even if it is not established in a business system or process? Please explain your views.	As set out at paragraph 2.1(f)(iv) above and in Medivet's response to Question 37, Medivet considers that this remedy proposal does not provide sufficient detail as to the types of activities that would be prohibited, making it difficult for Medivet to comment on whether internal guidance should be included. Medivet is concerned that broadening the scope of this remedy to include internal guidance could inhibit learning and development in the profession and significantly

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		undermine hub-and-spoke and community working business models operated by both independents and LVGs. Medivet would consider it more appropriate for prohibited business practices to be specified with sufficient detail in order to ensure there is go-forward certainty as to what is prohibited, rather than broad definitions that become subject to interpretation and uncertainty. For example, Medivet would support a proposal to prohibit the practice of mandating referrals within a business group or network (which effectively restrict the option of referring externally).
Remedy 7: Changes to how consumers are informed about and offered prescriptions		
40.	We would welcome views as to whether medicines administered by the vet should be excluded from mandatory prescriptions and, if so, how this should be framed.	Medivet's view is that medicines administered by the vet (such as injectables) should be excluded from mandatory prescriptions, as they may present unique risks associated with: • administration of the medicine at home without veterinary supervision; • sourcing / storage of the medicine; and • delays in administering the medicine (an issue of particular concern for acute conditions). Including these medicines in mandatory prescriptions would likely be detrimental to animal welfare and the relationship of trust between the vet and the pet owner, if, for example, the pet experienced an adverse reaction to the medicine and it is not clear whether this is the fault of the clinician, the pet owner administrating or a faulty drug. Medivet also considers that mandating written prescriptions would be inappropriate for medicines needed for acute conditions and urgent or emergency treatments, as well as in circumstances where clients request to purchase the medicines from the practice directly for convenience. The decision not to offer a written prescription in reliance on such carve-outs in a practical, clinical scenario is a matter of professional and clinical

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		judgement by the relevant vet where there is not always a bright-line test to determine the appropriate circumstances.
41.	Do these written prescription remedies present challenges that we have not considered? If so, how might they be best addressed?	As explained at paragraphs 2.2(b)(i) – 2.2(b)(ix) above, Medivet considers that requiring vets to issue written prescriptions would be neither effective nor proportionate in many cases and would add a material administrative burden to vets and a cost to pet owners, which could unintentionally raise veterinary costs, reduce available time with pet owners / pets and increase consultation fees, ultimately harming animal welfare. Medivet is also concerned that written prescription remedies will have the unintended consequence of increasing the number of unscrupulous pharmacies and fraudulent prescriptions in the market.[46] Furthermore, Medivet considers that mandatory written prescriptions could be detrimental to animal welfare, particularly in chronic condition cases where the speed of administration is imperative, as many "brick-and-mortar" pharmacies only hold stock of human medications and are reluctant to fulfil veterinary prescriptions, which could delay administration of the medication. To address these challenges, Medivet considers that increasing the transparency and awareness of pet owners' ability to request prescriptions (as set out in Remedy 7, Option B) is a more appropriate solution. This avoids the unintended consequences of increasing costs and inhibiting vets' clinical judgement. Given the trend of purchasing medicines online, further publicity on the availability of this option to pet owners will increase consumer awareness and demand to request written prescriptions. Alternatively, subject to appropriate modifications, Medivet would also consider a requirement to offer a prescription to be a potential option (as proposed in the CMA's Option C) – see paragraph 2.2(b)(ix) for further details.

[46] For a recent example news story about such pharmacies, see here: https://www.vettimes.com/news/business/finance/lintbells-issues-warning-over-counterfeit-product-sales.

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42.	How might the written prescription process be best improved so that it is secure, low cost, and fast? Please explain your views.	Medivet suggests that an industry-wide digital system could use NDC numbers to create a genuine and secure prescription platform, such as through issuing printable or dynamic QR codes, to minimise fraudulent incidents. This should require minimal data input from the veterinary surgeon. However, Medivet is aware that not all practices have digital capability and so such a solution may be challenging to implement sector-wide.
43.	What transitional period is needed to deliver the written prescription remedies we have outlined? Please explain your views.	Medivet considers that, given the breadth of practice facilities and systems in the UK, it would likely take a **minimum** of 6-12 months to implement any mandatory written prescription remedy. This period would likely be even longer if the system was appropriately designed to optimise ease of use and minimise risk of exploitation by fraudulent activity.
Remedy 8: Transparency of medicine prices so pet owners can compare between FOPs and other suppliers		
44.	What price information should be communicated on a prescription form? Please explain your views.	Medivet is committed to supporting enhanced pricing transparency for veterinary medicines to help pet owners make informed choices. However, providing detailed price comparisons on prescription forms or reference to it, as envisaged in Options A and B of Remedy 8, raises significant operational challenges. Many prescription medicines have multiple formulations and dosages, making accurate pre-filled links difficult to implement. There is also an inherent risk that owners may be directed to inappropriate or unregulated sources if the tool is misused or misunderstood. Medivet strongly opposes Option B, which amplifies the drawbacks of Option A and introduces additional complexity and risk. A more proportionate approach would be to inform clients that they may choose to source medicines from alternative sources, including from licensed online pharmacies (which are already readily searchable from online searches e.g. Google) and that prices

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		vary according to the retailer. Providing information on the safe and effective use of prescriptions, could also be part of the information provided.
45.	What should be included in what the vet tells the client when giving them a prescription form? Please explain your views.	Veterinary surgeons should discuss the safe ways in which medication can be obtained, and also the specifics that regulate safe and effective use of prescriptions. Veterinary surgeons should focus on providing clinically necessary information, not focus on providing retail pricing information.
46.	Do you have views on the feasibility and implementation cost of each of the three options? Please explain your views.	Medivet does not consider any of the proposed options to be operationally feasible or cost-proportionate for veterinary practices. Each would introduce significant technical and administrative burdens, alongside a material risk of consumer confusion and misapplication (see challenges around implementation referred to above and Medivet's overarching views set out in paragraph 2.2(c) in Part A above). Moreover, it is unclear whether these options would deliver meaningful additional benefits to consumers. Existing regulations already allow pet owners to request a prescription and compare prices across authorised suppliers of their choice. As outlined in paragraphs 6.77-6.79 of Medivet's response to the February Working Papers, there is clear evidence that consumers are already exercising this choice. Medivet has seen a substantial rise in prescriptions issued, a notable decline in in-practice sales of medicines typically sourced online, and increased visibility and use of online pharmacies more generally. Finally, the proposal overlooks the varying level of digitisation across veterinary practices in the UK and their client bases (in particular elderly pet owners who may have more limited access to, or less familiarity with, technology or shopping online). A number of UK practices still operate partly or entirely on a paper basis, particularly when issuing prescriptions. It is unclear how such practices would be expected to comply with digital requirements such as QR codes, or integration with prescription portals, or whether this would have unintended consequences for clients who would

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		struggle to navigate these tools.
Remedy 9: Requirement for generic prescribing (with limited exceptions) to increase inter brand competition for medicine sales		
47.	How could generic prescribing be delivered and what information would be needed on a prescription? Please explain your views.	Medivet has serious concerns about the effectiveness and proportionality of a requirement that vets prioritise prescriptions based on generic equivalency categories, in the context of pet health. As Medivet explains in paragraph 2.2(d) in Part A above, the current regulatory and legal frameworks do not seamlessly facilitate generic prescribing, meaning an overhaul of the system would be required for this remedy to be implemented without disproportionate burden on the vets. Firstly, the RCVS Under Care requirements clearly states (in opposition to the VMD), that the use of generic medicines against which a prescription can be dispensed is not acceptable – and a vet must clearly state the brand used. Secondly, there are also issues with the cascade and licensing laws, as many generics are licensed for variable use, and vets are obliged to use a licensed preparation in the first instance. For example, "Pimobendan" is available in two versions in the same dosage increments. However, one version is licensed for the treatment of pre-clinical heart disease in the UK, and the other is not, meaning that in the case of pre-clinical heart failure, the vet must prescribe the version which is licenced. While reform to the frameworks is possible, it would likely take a significant amount of time. Without such reform, vets would be required to retain an unrealistic amount of knowledge on the licensed use of each generic to meet this requirement. Another issue is the lack of substitutability between many branded and generic products, as branded medicines come usually come in a much wider variety of dosages etc. Finally, Medivet is concerned that this remedy could lead to an increase in medication errors, as many generic products present in alternative dosage forms (a good example is amlodipine, where several available generics have significantly different dosage

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		increments). In these scenarios, multiple dosage regimens would need to be listed on prescriptions alongside multiple medication options which is likely to be confusing. Medication errors – fatal in some cases – are a material risk to animal welfare.
48.	Can the remedies proposed be achieved under the VMD prescription options currently available to vets or would changes to prescribing rules be required? Please explain your views.	No – see Medivet's response to Question 47 above.
49.	Are there any potential unintended consequences which we should consider? Please explain your views.	See Medivet's response to Question 47 above.
50.	Are there specific veterinary medicine types or categories which could particularly benefit from generic prescribing (for example, where there is a high degree of clinical equivalence between existing medicines)? Please explain your views.	Hypothetically, medications which (i) have a high degree of clinical equivalence, and (ii) are available in identical dosages and formulae, could benefit from generic prescribing. However, as explained in response to Question 50, this would require significant changes to the regulatory and legislative regimes.
51.	Would any exemptions be needed to mandatory generic prescribing? Please explain your views.	Yes, where the use of certain brands of medicine can make a material clinical difference, and any changes between brands need to be clinically supervised. Conditions where this is the case include heart failure, diabetes and epilepsy, the latter of which is a proven example in human health as well.
52.	Would any changes to medicine certification/the approval processes be required? Please explain your views.	Please refer to Medivet's response to Question 47.

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53.	How should medicine manufacturers be required to make information available to easily identify functionally equivalent substitutes? If so, how could such a requirement be implemented?	As implementing this remedy would require changes to law and regulation, Medivet does not feel able to answer this question.
54.	How could any e-prescription solution best facilitate either (i) generic prescribing or; (ii) the referencing of multiple branded/named medicines. Please explain your views.	As explained in further detail in paragraph 2.2(d)(i) above, an overhaul of the regulatory system and rules would be required to facilitate generic prescribing, as it is not permitted under the current system. Consequently, this remedy could neither be implemented alone nor would it allow for swift and simple implementation. In the scenario where the regulations were amended to allow this, both practice management systems and electronic prescribing systems would need to be aware of and list all options that were both licensed and available, due to the existing cascade to include human medicine. This would require intensive updating and upkeep from the practices, adding administrative burden.
Remedy 10: Prescription price controls		
55.	Do you agree that a prescription price control would be required to help ensure that clients are not discouraged from acquiring their medicines from alternative providers? Please explain why you do or do not agree.	No, Medivet does not agree that a prescription price control would be required. Pricing is not the main factor in determining where a pet owner decides to purchase a medicine (and if prescription fees play a role in this decision making, it would be marginal). Instead, convenience, a pet's needs, a lack of confidence and/or ability to administer (e.g. injections), and trust in the quality of care provided by the veterinary surgeon are determinative.
56.	Are there any unintended consequences which we should take into consideration? Please explain your views.	Yes, see the points made at paragraph 2.2(e)(i) of Part A above. Additionally, any measure to freeze, fix or cap (or abolish) prescription fees would likely have the effect of increasing cost recovery on other items (e.g. consultations), including for those owners who don't require a prescription / medication, [redacted]

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		[redacted].
57.	What approach to setting a prescription fee price cap would be least burdensome while being effective in achieving its aim of facilitating competition in the provision of medicines? If we were to decide to impose a cost based price control for prescriptions, we need to fully understand the costs involved with prescribing and dispensing activities. We are seeking to understand:	Medivet does not consider that setting a price cap on prescription fees is necessary or proportionate, and considers that this would not achieve the CMA's aim to increase switching for the supply of veterinary medicines. Instead, Medivet believes that increased transparency is the best solution to any of the CMA's concerns, and sets out the reasons for this in further detail in 2.2(e)(iii) above.
58.	What are the costs of writing a prescription, once the vet has decided on the appropriate medicine?	As Medivet explained at its hearing with the CMA on 11 March 2025, it is not straightforward to break down the costs of writing a prescription. The prescription process takes a veterinary surgeon time. As a part of prescribing the medicine the vet must ensure the prescription is compliant (as set out by BSAVA[47]), which can be further complicated by off-license medicines. Administrative costs and the time spent on producing the prescription vary between the PMS being used. There are also costs related to storing and appropriately destroying any physical copies after the five year mandated retention period. These will vary according to whether a practice's systems can store a prescription electronically or whether they need to be stored in hard copy.
59.	What are the costs of dispensing a medicine in FOP, once the medicine has been selected by the vet (i.e. in effect after they	As with the costs for prescribing (see Question 58 above), the costs of dispensing are very difficult to quantify. Costs relate to the time spent by generating the label for the medicine via the PMS or manually by a veterinary surgeon (which is a legal

[47] See here: Writing a prescription | BSAVA Library.

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	have made their prescribing decision)?	requirement[48]), and to the requirements to stock and store a wide range of medicines in accordance with strict laws and guidelines. Once the label is generated, it must be dispensed by a veterinary surgeon or a nurse (which can take up to 10 minutes to complete). This is followed by secondary review to avoid human error, and time spent explaining the medication and its use to the client. These steps ensure safe dispensing but add time and cost. An information sheet pertaining to the medicine must be provided – this may be provided by the manufacturer or (more likely) by the practice themselves who will have to source them from a reputable provider, such as the BSAVA.
Remedy 11: Interim medicines price controls		
60.	What is the most appropriate price control option for limiting further price increases and how long should any restrictions apply for? Please explain your views.	Medivet notes that there is no evidence of an adverse effect on competition (***AEC***) relating to medicines pricing from the Medicines Working Paper, Econometrics Working Paper or Profitability Working Paper analysis. Furthermore, as veterinary medicines are a single element of the overall package of services sold by FOP practices, any assessment of their standalone profitability has no meaningful economic relevance. Rather, medicine pricing should be assessed alongside other elements of the total cost of treating a given condition. Medivet notes that the CMA's difference-in-difference analysis of first year treatment costs finds a statistically significant and positive effect for [redacted] Equally, by the CMA's own analysis [redacted] any pricing remedy would result in a rebalancing of prices, rather than an overall decrease in prices to consumers. The CMA has presented no evidence consistent with the hypothesis that consumer welfare would be enhanced by lower drugs prices which are fully offset by higher consultation and treatment charges.

[48] See here: https://www.rcvs.org.uk/faqs/what-written-information-should-be-provided-with-a-split-pack/?p=2.

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		If up-stream manufacturer / wholesaler medicine prices are not also capped (which Medivet notes would be outside the remit of the CMA's investigation), then a price control at the downstream level would likely result in veterinary surgeons having to recover joint and common costs elsewhere, such as consultations or diagnostic services. This is especially concerning in a context where [redacted]. Ultimately, this "waterbed effect" would not serve consumers. It risks increasing the price of essential upfront services, thereby discouraging pet owners from seeking veterinary care. The result is likely to be worse outcomes for animal welfare. Furthermore, a price cap which was not linked to the level of wholesale prices will incentivise manufacturers to increase the wholesale prices of drugs which they supply. This reflects that if manufacturers increase their prices, they will be aware that prices to consumers will not increase; this effectively lowers the elasticity of demand for their products, as there will be no pass-on to consumers purchasing drugs via their vet, with all of the cost being borne by the FOPs who are dispensing the product. As such, the CMA's proposal will create adverse incentives, undermining the profitability of the vet sector. This is particularly likely given veterinary drugs are only weakly substitutable given the need to prioritise the clinical needs of patients. Medivet also notes that any such remedy would be extremely cumbersome to monitor given the number of medicines and the fact that they are constantly changing prices. It is unclear what price cap would apply to newly launched drugs, or drugs products launched in new dosages or formulations, which are not already on the market at the time the price caps come into effect. There is therefore no rationale for introducing a pricing remedy, and to do so would be harmful to competition, pet owners, and the financial stability of the veterinary sector. Medivet firmly believes that any of the CMA's perceived concerns could be better resolved via increasing transparency around medicine pricing.

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61.	If we aim to use a price control to reduce overall medicine prices, what would be an appropriate percentage price reduction? Please explain your views.	As noted in response to Questions 58-60, the CMA has found no evidence of [redacted], and there is no clear method for calculating the cost of prescribing or dispensing medicines. [redacted] any price reduction would be inappropriate for Medivet, as it would [redacted] lead to price increases on other services [redacted].
62.	What should be the scope of any price control? Is it appropriate to limit the price control to the top 100 prescription medicines? Please explain your views.	While reducing the scope of a price control may slightly ease its administrative burden, Medivet notes that all the fundamental issues with a price cap as described in response to Question 60 and in Medivet's overarching views in paragraph 2.2(f) above would still apply. Medivet is also concerned that selective price control may have two unintended consequences: (i) a distortion of competition in the medicines market and (ii) an adverse effect on clinicians' incentives, potentially influencing treatment decisions. As the CMA will appreciate, it is fundamental to pet welfare that vets are prescribing the most appropriate medicine, and should not be influenced by selective regulation.
63.	How should any price control be monitored and enforced in an effective and proportionate manner? Please explain your views.	As Medivet believes that any price control would be entirely disproportionate, it is not able to answer this question.
Implementation of remedies 7 – 11		
64.	We welcome any views on our preferred system design, or details of an alternative that might effectively meet our objectives. Please explain your views.	***E-prescription portal*** The design of the platform as currently envisaged by the CMA suffers from many practical issues, including repeat prescriptions (as the current design involves each prescription being used only once), and meeting the requirement to store these prescriptions as detailed in Question 58 above.

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		Price comparison tool As far as Medivet is aware, the requirement to advertise the prices of direct competitors to clients has no precedent in any other industry. Instead, Medivet would propose including a simple disclaimer setting out that the same product can be purchased online and that prices may vary. There are also practical concerns in relation to producing the QR code or alternative, which relate to the placement and location of the labels, this is standardized and could result in the clinical information not being readable or the code being poorly placed. Medivet is also unclear on who would bear the responsibility for the maintenance of the comparison tool, and is concerned that this could add administrative and cost burden on the practices, which would likely be passed-on to pet owners.
65.	What do you consider to be the best means of funding the design, creation and ongoing maintenance of an e-prescription portal and price comparison tool? Please explain your views.	Please refer to Medivet's response to Question 64 above.
Remedy 12: Restrictions on certain clauses in contracts with third-party out of hours care providers		
66.	What would be an appropriate restriction on notice periods for the termination of an out of hours contract by a FOP to help address barriers to FOPs switching out of hours providers? Please explain your views.	Medivet recommends three to six months' notice, which balances the need for continuity and stability in providing OOH services, while preventing anti-competitive lock-ins.
67.	What would be an appropriate limit on any early termination fee (including basis of calculation) in circumstances where a FOP seeks to terminate a contract with an out of	In cases of termination, there should be no "termination fee." Instead, the termination costs should merely reflect the fees that would have been payable within the notice period, plus any reasonable administrative costs. Any termination fees should be fully

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	hours provider? Please explain your views.	transparent in any contracts.
Remedy 13: Transparency on the differences between fees for communal and individual cremations		
68.	Do you agree that the additional transparency on the difference in fees between fees for communal and individual cremations could helpfully be supplemented with revisions to the RCVS Code and its associated guidance? Please explain your views.	No. The RCVS Code already contains requirements for veterinary surgeons to discuss all of the available options with their clients and to be transparent in relation to fees and the CMA has set out no detail on what form revisions may take.
Remedy 14: A price control on cremations		
69.	If a price control on cremations is required, should this apply to all FOPs or only a subset? What factors should inform which FOPs any such price control should apply to?	If the CMA imposes price controls (see answer to Question 70), then these must apply equally to all providers or they would be unfair and discriminatory, acting as a distortion in a market which the CMA has no evidence to conclude is excessively profitable. However, Medivet opposes a price cap, considering that any perceived issues which the CMA may have can be dealt with through transparency. There is also considerable difference between communal and individual services, which the CMA should engage with before devising any such remedy.
70.	What is the optimal form, level and scope of any price control to address the concerns we have identified? Please explain your views.	Medivet considers that the CMA's analysis has not concluded on any issue with cremation pricing. In any case, as Medivet explained in its response to the February Working Papers in paragraph 3.44(e), the cost of providing cremation services is extremely difficult to quantify, due to the administrative and emotional care provided as a part of the service. Capping pricing may have the consequences of reducing the level of quality / care that is provided alongside cremations. The administrative burden would be considerable given the lack of accurate cost information; and lack of an obvious regulator to oversee the implementation of this remedy (see answer to

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		Question 71). Instead, Medivet considers that publishing cremation pricing and general transparency measures would be a far more effective means of enhancing competition in the sector. As part of this, the CMA may want to require practices to inform clients that they can go to a crematorium directly and provide details in relation thereto, provided that pet owners are then responsible for providing arrangements as set out in paragraph 2.4(a)(ii) above.
71.	For how long should a price control on cremations be in place? Please explain your views.	As noted above, Medivet considers that a price cap for cremation may not be warranted. If the CMA is minded to introduce a price cap, it should clearly state on what basis the cap is being introduced (i.e. excessive profits); and therefore what is an appropriate sunset clause to attach to the remedy.
72.	If a longer-term price control is deemed necessary, which regulatory body would be best placed to review and revise such a longer-term price control? Please explain your views.	Under current legislation, the RCVS only regulates and enforces the professional behaviour and standards of vets, and is clear it has no role in a pricing remit. If measures came about to result in the RCSV needing to oversee a price control, it would significantly change their remit. As the CMA is aware, price controls from sectoral regulators such as Ofgem and Ofwat is a material standalone function requiring a dedicated workforce.
Remedy 15: Regulatory requirements on vet businesses		
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.	Medivet firmly believes that regulating the practitioners in the sector, i.e. veterinary surgeons and nurses, is pivotal due to the nature of the services being provided and the ethical and clinical considerations they entail. Regulating businesses would create a duplicate layer of regulation and red tape, while it risks removing the personal responsibility from those actually making clinical decisions. As described in paragraph 2.5(b)(i)(D) above, any increased administrative burden is likely to impact independent practices harder.

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		As described in paragraph 2.5(b)(i) above, Medivet believes the same goal of increased responsibility for businesses can be achieved through enhancing and uplifting the current PSS as well as increasing the role of SAVSs. Medivet welcomes increased transparency and visibility around this role, such as requiring all vet practices and businesses to publicly list the responsible SAVS.
Remedy 16: Developing new quality measures		
74.	Are there any opportunities or challenges relating to defining and measuring quality which we have not identified but should take account of? Please explain your views.	As described in paragraph 3.24 of the response to the February Working Papers, measuring quality in the veterinary services market is inherently challenging, as the factors that clients use to assess quality vary considerably and metrics used in the human healthcare space are not appropriate. Medivet does however believe that NPS and Trustpilot score are good and efficient quality metrics. As described above in paragraph 2.5(b)(i)(A) above and in paragraph 7.13 to 7.16 of the response to the February Working Papers, Medivet believes and supports the PSS being leveraged for quality measuring purposes. Medivet is of the opinion that all practices should display PSS accreditation (and increased awareness around the implications of a practice not having one). As described 2.5(b)(i)(D) above, it is important that there are not too many different levels of accreditation and awards, as this risks increasing the burden of the scheme, in particular on independent practices. Too many different levels also risk confusing consumers who will not normally have the clinical understanding of what the different certifications would entail.
75.	Would an enhanced PSS or similar scheme of the kind we have described support consumers' decision-making and drive competition between vet businesses on the basis of quality? Please explain your views.	Medivet refers to paragraphs 7.13 to 7.16 of the response to the February Working Papers.

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76.	How could any enhancements be designed so that the scheme reflects the quality of services offered by different types of vet businesses and does not unduly discriminate between them? Please explain your views.	In respect of enhancements of design, Medivet refers to its response to the February Working Papers (in particular paragraphs 7.13 to 7.16) and paragraph 2.5(b)(i)(A) above. In respect of unduly discriminating, please see Medivet's response to Question 74 above.
77.	Are there any other options which we should consider?	Please see Medivet's response to Question 74 above.
Remedy 17: A consumer and competition duty		
78.	Should any recommendations we make to government include that a reformed statutory regulatory framework include a consumer and competition duty on the regulator? Please explain your views.	As previously described in paragraph 2.5(a) above and in paragraph 1.14 of the response to the February Working Papers, Medivet in principle supports legislative reforms, including an increased consumer and competition duty. However, Medivet strongly believes that such reforms should not be enacted as part of the CMA's ongoing investigation. Medivet would also like to remind the CMA that the RCVS Code already contains provisions for regulating consumer-facing activity.
79.	If so, how should that duty be framed? Please explain your views.	See Medivet's response above in Question 78.
Remedy 18: Effective and proportionate compliance monitoring		
80.	Would the monitoring mechanisms we have described be effective in helping to protect consumers and promote competition? Please explain your views.	While Medivet considers there to be benefit in monitoring the points described by the CMA, it should be noted such monitoring is already encompassed within the RCVS Code and the PSS. For example, the PSS already contains a system for spot inspections. Medivet firmly supports enhancing the PSS. For example, making the PSS mandatory would lead to spot examinations being carried across the industry. Medivet has expressed above in paragraph 1.10(f) concern towards remedies which

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		introduce new systems or processes adding cost and administrative burden, instead of leveraging and enhancing existing frameworks.
81.	How should the monitoring mechanisms be designed in order to be proportionate? Please explain your views.	Any remedies should be designed to apply across the market, so as to not disadvantage certain market players and to ensure consistent monitoring and quality across the industry. Medivet supports increased use of spot check under the PSS. The PSS already has a system in place for conducting spot inspections. This could be upweighted by the RCVS to a more regular frequency. However, spot check involves practical challenges and is an additional burden on the practices being inspected. It would therefore be neither proportionate nor necessary to mandate a minimum number of inspections. Rather, a more practical and proportionate solution would be to keep a system with self-accreditation while making increased use of spot checks. To be proportionate, the system of spot inspections should be applied to all practices, which would only happen if the PSS was mandatory to all practices. However, more spot inspections will likely lead to an increased cost of the PSS.
82.	What are the likely benefits, costs and burdens of these monitoring mechanisms? Please explain your views.	A requirement to display PSS accreditation status (or the absence of such accreditation) in itself would involve limited costs to practices. Making Core accreditation mandatory would also only incur significant costs to practices not already meeting the requirements – which should be none as Core accreditation reflects the legal requirements placed on the vets. As described in paragraph 7.13(c) of the response to the February Working Papers, the cost of accreditation itself is limited. As described in paragraph 2.5(b)(i)(G) above, both the creation of a new system and enhancing the existing PSS system would incur increased administrative costs on practices as well as require increased funding for the RCVS (or other alternative institutions). However, a new system or monitory body would likely be significantly more costly to establish than enhancing the PSS. It is for example likely that the PSS subscription fee and/or professional registration

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		fees would increase, which are mainly funded by veterinary surgeons themselves in independent practices, or by employers in large groups. As is the case for many of the remedies proposed by the CMA, see for example on PCWs described in Question 15, such costs would likely be easier borne by larger veterinary groups than independent practices. A full review of PSS subscription fees and registration fees should be carried out. Medivet notes that the increased transparency that is already being considered is likely to make monitoring easier, and this could mitigate some part of the increased cost. The CMA must avoid unintended consequences and the waterbed effect by ensuring that the cost burden would be proportionate in the implementation of any remedies.
83.	How could any costs and burdens you identify in your response be mitigated and who should bear them? Please explain your views.	See Medivet's response to Question 82 above.
Remedy 19: Effective and proportionate enforcement		
84.	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)? Please explain your views.	Practices that are part of the PSS can already be sanctioned or to receive a warning. This is another reason to upweight, promote or make the PSS mandatory, rather than adopt a new system. Medivet is of the opinion that this could be a potential avenue for implementing the remedy described by the CMA. Moreover, upweighting the role of SAVSs could also be a helpful implementation mechanism.
85.	Are there any benefits or challenges, or unintended consequences, that we have not identified if the regulator was given	Please see Medivet's response to Question 84 above.

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	these powers? Please explain your views.	
Remedy 20: Requirements on businesses for effective in-house complaints handling		
86.	Should we impose a mandatory process for in-house complaints handling? Please explain your views.	Medivet refers to paragraph 2.5(e) above. Medivet does welcome further transparency on the processes (which would assist the clients) and supports making it a mandatory requirement for all practices to display their complaints procedure on their website with clear timeframes for expected responses.
87.	If so, what form should it take? Please explain your views.	See Medivet's response above in Question 86.
Remedy 21: Requirement for vet businesses to participate in the VCMS		
88.	Would it be appropriate to mandate vet businesses to participate in mediation (which could be the VCMS)? Please explain your views.	Medivet does not in principle oppose making participation in the VCMS mandatory, however, it has several concerns around practicality and implementation. In Medivet's view, there are certain clients that can be considered unfit for mediation for example due to intimidating or aggressive behaviour. In addition, from experience, there are clients who would likely refuse to participate in mediation. While these would be a very limited number of cases, any mandatory mediation system must include exemptions for the implementation to be proportionate. Medivet has concerns over the necessary scaling up the VCMS services and the organisation. The VCMS team currently only consists of a handful of individuals. There would be both costs and implementation delay related to making the VCMS mandatory, and this could bear similar cost consequences to professional registrations fees and therefore for prices, as described in Questions 82 above.
89.	How might mandatory participation in the VCMS operate in practice and are there any	See Medivet's response to Question 88 above.

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	adverse or undesirable consequences to which such a requirement could lead?	
90.	How might any adverse or undesirable consequences be mitigated?	See Medivet's response to Question 88 above.
Remedy 22: Requirement for vet businesses to raise awareness of the VCMS		
91.	What form should any requirements to publicise and promote the VCMS (or a scheme of mediation) take?	The information could be displayed prominently on the RCVS website, as well as be included in the complaint responses given to clients.
Remedy 23: Use of complains insights and data to improve standards		
92.	How should the regulatory framework be reformed so that appropriate use is made of complaints data to improve the quality of services provided?	Medivet refers to paragraph 2.5(g) above. Rather than requiring practices to merely produce data and submit this to a regulator, which would be a costly process that does not in itself lead to any improvements, Medivet would recommend mandating practices to actively review and use the complaints data to improve their services. Such requirements could be quickly and efficiently added to the existing PSS clinical governance frameworks.
Remedy 24: Supplementing mediation with a form of binding adjudication		
93.	What are the potential benefits and challenges of introducing a form of adjudication into the sector?	Medivet refers to paragraph 2.5(f)(iii) above.
94.	How could such a scheme be designed? How might it build upon the existing VCMS?	Medivet refers to paragraph 2.5(f)(iii)(B) above.

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95.	Could it work on a voluntary basis or would it need to be statutory? Please explain your views.	Medivet does not support introducing a binding adjudicator on a voluntary or statutory basis.
Remedy 25: The establishment of a veterinary ombudsman		
96.	What are the potential benefits and challenges of establishing a veterinary ombudsman?	Medivet refers to paragraph 2.5(f)(iii) above.
97.	How could a veterinary ombudsman scheme be designed?	Medivet refers to paragraph 2.5(f)(iii)above.
98.	Could such a scheme work on a voluntary basis or would it need to be statutory? Please explain your views.	Medivet does not support establishing a veterinary ombudsman on a voluntary or statutory basis.
Remedies 26 – 28: Effective use of veterinary nurses		
99.	What could be done now, under existing legislation, by the RCVS or others, to clarify the scope of Schedule 3 to the VSA?	Medivet refers to paragraph 2.5(h)(i) above.
100.	What benefits could arise from more effective utilisation of vet nurses under Schedule 3 to the VSA, in particular for the veterinary profession, vet businesses, pet owners, and animal welfare? Might this result in any unintended consequences?	Medivet refers to paragraph 2.5(h)(i) above.

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101.	What benefits could arise from expansion of the vet nurse's role under reformed legislation, in particular for the veterinary profession, vet businesses, pet owners, and animal welfare? Might this result in any unintended consequences?	Medivet refers to paragraph 2.5(h)(i) above.
Proportionality		
102.	Do you agree with our outline assessment of the costs and benefits of a reformed system of regulation? Please explain your views.	As explained at paragraph 2.5(a) above, Medivet considers that full regulatory overhaul by the CMA is neither necessary nor proportionate. Regulatory improvements are already occurring and a full reform is on the horizon. As explained at paragraph 2.5(a)(ii) above, a number of the CMA's remedy proposals involve onerous changes which will be more burdensome for smaller independents than larger independents / LVGs as they will struggle to absorb the costs associated with these requirements and will be forced to pass these on to clients. Medivet's view is that the CMA's regulatory remedy proposals risk overstretching the most vulnerable players in the sector and increasing barriers to entry to independents, which would undermine the purpose of the CMA's investigation.
103.	How should we develop or amend that assessment?	As set out at paragraph 2.5(a) above, the CMA should redirect its efforts towards making targeted improvements within the existing regulatory regime. The RCVS Code and the PSS already address many of issues identified by the CMA and can be further improved to address any outstanding concerns, which would more effectively and proportionately address the problems in the sector. For instance, Medivet supports: • Expanding the responsibilities of SAVSs at both practice- and group-level; • Upweighting the PSS system for monitoring and enforcement measures; and • Increasing the role of the VCMS, including by making it mandatory and more

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		visible.
104.	How could we assess the costs and benefits of alternative reforms to the regulatory framework?	Please refer to Medivet's responses to Questions 102 and 103 above.
105.	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)?	As explained at paragraph 2.5(a)(ii) above, many of the CMA's regulatory remedy proposals would require significant funding and resources, which are ultimately likely to come from vets or veterinary business. This would increase business overheads, which would be particularly burdensome for independent vets, and is likely to ultimately be passed on to consumers through increased prices. Alternatively, making targeted improvements to the existing regulatory framework, as Medivet suggests, would be significantly less costly to implement and thereby avoid these unintended consequences.