VETERINARY SERVICES FOR HOUSEHOLD PETS

Provisional decision report: Part A

15 October 2025

Competition & Markets Authority

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 Some numbers have been replaced by a range.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

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1. Conduct of the investigation

Introduction

1.1 On 23 May 2024,[1] the Competition and Markets Authority (**CMA**), in exercise of its power under sections 131 and 133 of the Enterprise Act 2002 (the **EA02**),[2] made a reference for a market investigation in relation to the supply of veterinary services for household pets in the United Kingdom.[3] On the same date, the CMA appointed from its panel an inquiry group of five independent members to lead the investigation (**the Group**).[4]

1.2 This provisional decision report sets out the Group's provisional findings with respect to our competition assessment and our provisional decision on remedies. We are required to publish our final report, including outlining any remedies the CMA will put in place, by 22 May 2026.[5]

Background to the reference

1.3 The CMA launched a market review in relation to the supply of veterinary services for household pets in the United Kingdom on 7 September 2023.

1.4 As part of the market review, the CMA ran a Call for Information which consisted of online questionnaires for pet owners, people who work in the sector, and other interested parties. It received an unprecedented response, with over 56,000 responses in total, including almost 45,000 from pet owners and over 11,000 from veterinary professionals, plus several hundred from interested third parties.

1.5 Although the CMA had no statutory information gathering powers at that stage, it collected evidence from and/or met with a range of stakeholders, including the Royal College of Veterinary Surgeons (**RCVS**), large veterinary groups (**LVGs**), smaller veterinary businesses, industry bodies, consumer groups, insurance companies, and animal charities. In addition, it commissioned qualitative consumer research by an independent research agency. That research included

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[1] Following a market review and call for information (How to respond to the veterinary services market for pets review - GOV.UK) and a consultation on its proposal to make a reference for a market investigation into veterinary services for household puts in the United Kingdom (Consultation on the proposal to make a market investigation reference into veterinary services for household pets in the UK - GOV.UK)
[2] Sections 131 and 133 of the EA02.
[3] Veterinary services for household pets in the UK, Decision to make a market investigation reference 23 May 2024: Final report of the consultation.
[4] Martin Coleman (Inquiry Chair), Humphrey Battcock, Robin Cohen, Susan Hankey, and Keith Richards. Details of the members of the Inquiry Group are on our case page.
[5] This deadline is inclusive of the statutory extension issued by the Inquiry Group under 137(2A) of the EA02 on 10 June 2025 (Notice of extension of inquiry period).

conducting 64 in-depth interviews with pet owners across the United Kingdom (the **Qualitative Consumer Research**).[6]

1.6 Having reviewed this evidence, the CMA was concerned that the supply of veterinary services in the United Kingdom might not be a well-functioning market, and that there might be ways in which this market could work better for pet owners and for veterinary professionals. Therefore, on 12 March 2024 the CMA published an update report and launched a consultation on its proposal to make a market investigation reference (**MIR**)[7] into veterinary services for household pets in the United Kingdom.[8]

1.7 The CMA received representations from a range of interested parties including from individual veterinary professionals, the LVGs, regulators and representative bodies, consumer groups and animal charities. The responses to the consultation overwhelmingly endorsed the CMA's proposal to conduct a market investigation. Some parties made representations that certain additional factors should be considered as we proceeded.[9]

1.8 The LVGs did not support a market investigation, contending that it would be detrimental to people working in the profession, and that they had offered to implement some changes voluntarily which they considered would address the concerns that the CMA had identified. The CMA's view, however, was that these voluntary proposals, while all positive actions which in any event remained open to the businesses in question to implement immediately, fell some way short of providing a comprehensive solution to the multiple concerns identified and would have covered only part of the market.

1.9 On the basis of the information the CMA had obtained as part of its market review and the responses to the consultation on the proposal to make a MIR, the CMA considered that it had reasonable grounds to suspect that there were features which prevented, restricted or distorted competition in the UK. It considered, among other factors, that there was a reasonable chance that appropriate remedies would be available, if an adverse effect on competition (**AEC**) was found.[10]

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[6] We published the report on the Qualitative Consumer Research on 12 March 2024, alongside our consultation on the proposal to make a MIR.
[7] Consultation on the proposal to make a market investigation reference into veterinary services for household pets in the UK - GOV.UK.
[8] We also noted that the CMA may, to the extent appropriate, review the 2005 Order which implements some of the remedies recommended by the Competition Commission in its 2003 report. The Competition Commission's inquiry (under the 1973 Fair Trading Act) found conduct by veterinary surgeons medicines wholesalers and medicines manufactures that prevented, restricted or distorted competition in the supply of POM-V medicines in the UK.
[9] These included noting the potential impact on trust between pet owners and vets, urging caution over potential unintended consequences of remedies, and engaging with the proposed scope of our investigation.
[10] The framework for our assessment and the statutory question we must answer are explained later in this section.

1.10 Consequently, on 23 May 2024 the CMA referred the market in relation to the supply of veterinary services for household pets in the United Kingdom for a market investigation.

Advisory steer

1.11 The CMA's procedural guidance on market studies and market investigations states that the CMA Board may append an advisory steer to the MIR decision setting out its expectations regarding the scope of the market investigation and the issues that could be the focus of the investigation. The Group is expected to take this into account, although it will continue, as required by the legislation, to make its statutory decisions independently of the CMA Board.[11] Accordingly, the CMA Board provided the Group with an advisory steer when it made the reference.[12]

Our approach to the market investigation

Issues statement

1.12 On 9 July 2024, the Group published a statement which set out the issues we planned to explore during the market investigation and our planned approach (**Issues Statement**).

1.13 In particular, the Issues Statement set out:

(a) our initial hypotheses about which features of the supply of veterinary services for household pets in the UK might be adversely affecting competition;

(b) the types of information and evidence we intended to gather; and

(c) which potential remedies might be suitable to address any AECs that we may find, or any detrimental effect on customers resulting from any such AECs.

1.14 The Issues Statement set out the relevant framework for conducting the market investigation, the types of decisions we need to make and the conditions under which we would seek to impose remedies.

1.15 We invited the veterinary sector and other interested parties to comment on these issues and our planned approach. We published non-confidential versions of the responses we received to the Issues Statement on our case page.[13]

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[11] Market studies and market investigations: Supplemental guidance to the CMA's approach, July 2017, (CMA3), paragraph 3.39.
[12] Veterinary services for household pets, Board steer.
[13] Veterinary services for household pets, Responses to Issues Statement.

Consulting on our emerging analysis though our working papers

1.16 We have published a number of working papers which set out our analysis and emerging thinking in order to assist interested parties understand the work we are carrying out. The working papers invited parties' comments and any further evidence for consideration.

1.17 On 1 November 2024 we published a working paper on our proposed approach to profitability and financial analysis.[14] The purpose of the working paper was to explain our proposed methodology, including the time period we were planning to examine, what measures of profitability we intended to assess, and how we would examine the profitability of different providers of veterinary services.

1.18 On 6 February 2025 we published five working papers on different aspects of the veterinary services market (**February Working Papers**):

(a) **How pet owners choose and purchase veterinary services:** this paper examined the 'demand-side' issues and explored whether consumers might face barriers to making effective choices (including lack of information).[15]

(b) **Competition in the supply of veterinary medicines:** this paper assessed whether pet owners might be overpaying for medicines because of weak competition between first opinion practices (**FOPs**) as well as between FOPs and third-party retailers. It also considered whether differences in negotiating power across FOPs and third-party retailers could impact competition in the supply of veterinary medicines.[16]

(c) **Business models, provision of veterinary advice and consumer choice**: this paper set out the evidence to date on whether veterinary businesses might have the incentive and ability to raise prices and/or offer higher cost treatments (at the expense of simpler, lower cost options). It explored whether groups that own both FOPs and referral centres might have the ability and incentive to send consumers to their own referral centres, potentially restricting choice, and whether consumers are given information on a range of referral locations in vet practices generally.[17]

(d) **Regulatory framework for veterinary professionals and veterinary services**: this paper assessed the current legislation and broader regulatory system which applies to vets, vet nurses and veterinary businesses.[18]

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[14] Approach to profitability and financial analysis, 1 November 2024.
[15] How people purchase veterinary services, 6 February 2025.
[16] Competition in the supply of veterinary medicines, 6 February 2025.
[17] Business models, provision of veterinary advice and consumer advice, 6 February 2025.
[18] Regulatory framework for veterinary professionals and veterinary services, 6 February 2025.

(e) **Analysis of local competition**: this paper set out an analysis in which we estimated the proportion of local areas which may face limited competition in FOPs, out-of-hours suppliers and referral centres.[19]

1.19 Alongside the February Working Papers we published two pieces of market research which we had commissioned from an independent research agency:

A survey of pet owners who had purchased veterinary services within the last two years;[20] and

Qualitative market research based on interviews with vets and vet nurses.[21]

1.20 On 1 May 2025 we published a working paper outlining our thinking on the potential package of remedies (our **Remedies Working Paper**) which might be needed if we were to find competition concerns that we would need to address.[22]

1.21 We have published non-confidential versions of the responses we received to the above-mentioned working papers (or summaries of them) on our case page.[23]

1.22 We invited the main parties to comment on our working paper on our econometrics analysis of pricing and treatment data from two large insurance companies.[24] This paper analysed millions of insurance claims to explore trends in pricing and differences between veterinary businesses. Due to the confidential nature of the data we shared the paper in stages with the main parties. We disclosed the working paper and underlying data by way of a confidentiality ring to the external advisers of the LVGs and a version of the working paper with the LVGs. We later shared a version of the working paper with the non-LVG main parties. An amended version of this paper, reflecting comments from parties, is published as appendix B to this report.

1.23 We invited the main parties to comment on our working paper on profitability and financial analysis of veterinary businesses (LVGs and independent vets). We disclosed the underlying data by way of a confidentiality ring to the external advisers of the LVGs. We later shared a version of the working paper with the non-LVG main parties and the independent veterinary businesses that provided data to us for the purpose of our analysis. An amended version of this paper, reflecting comments from certain parties, is published as appendix C to this report.

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[19] Analysis of local competition, 6 February 2025.
[20] Vet Users Survey, Final Report, Accent for the CMA, January 2025, (**pet owners survey**), published 6 February 2025.
[21] Qualitative research with veterinary professionals, Research report by Revealing Reality for the CMA, January 2025, (**Qualitative research with veterinary professionals**), published 6 February 2025.
[22] Remedies working paper, 1 May 2025.
[23] Veterinary services for household pets, Responses to working papers published on 6 February 2025.
[24] The main parties to the investigation are: the six large veterinary groups (CVS, IVC, Linnaeus, Medivet, Pets at Home and VetPartners); the British Veterinary Association; the British Veterinary Nursing Association; the British Small Animal Veterinary Association; the Federation of Independent Veterinary Practices; and the Royal College of Veterinary Surgeons.

The evidence we have assessed

1.24 In writing our working papers and preparing this report, and in our investigation more generally, we have relied on a range of information sources:

(a) Responses to information notices (using our statutory powers) from the LVGs, including internal documents, financial information and other evidence (such as strategy documents and consumer research they have commissioned).

(b) Responses to information requests (using our statutory powers) from a sample of small and medium sized veterinary business, including single site independents. This includes internal documents, financial information and other evidence.

(c) Responses to both statutory information notices and informal information requests from other stakeholders in the sector. These have included FOPs and vets and nurses; regulators (the RCVS and Veterinary Medicines Directorate (**VMD**)); medicine manufacturers; independent referral centres, diagnostic laboratories and crematoria; insurance companies; private equity owners of veterinary businesses; industry consultants and accountancy firms; and academics.

(d) A survey of pet owners who have purchased veterinary services within the last two years, commissioned from an independent research agency.[25]

(e) Qualitative market research with vets and vet nurses, commissioned from an independent research agency.[26]

(f) Datasets of millions of claims submitted to two insurers, including treatment category, customer location, name of vet practice and price.

(g) Relevant academic literature and industry publications (for example from the RCVS, British Veterinary Association (**BVA**) and British Veterinary Nursing Association (**BVNA**)).

(h) Roundtables with different stakeholders including vets and vet nurses (working at a range of different practices); recently graduated vets and current vet students; consumer representatives; senior staff at the UK's vet schools; and chief veterinary officers at animal charities.

[25] Pet owners survey.
[26] Qualitative research with veterinary professionals.

(i) Discussions with our veterinary advisory panel.[27]

(j) Responses received to the above-mentioned working papers.

Stakeholder engagement

1.25 In addition to the above, we have engaged with key stakeholders through:

(a) Meetings with:

(i) FOPs and the vets and vet nurses who work in them;

(ii) LVGs and the vets and vet nurses who work in them;

(iii) regulators (the RCVS and VMD);

(iv) representative bodies (the BVA, BVNA, the British Small Animal Veterinary Association (the **BSAVA**) and the Federation of Independent Veterinary Practices (the **FIVP**));

(v) the Veterinary Client Mediation Service (**VCMS**)

(vi) medicine manufacturers;

(vii) buying groups;

(viii) pharmacies (both online and 'bricks and mortar' establishments);

(ix) independent referral centres;

(x) diagnostic laboratories;

(xi) crematoria;

(xii) insurance companies;

(xiii) private equity owners of veterinary businesses;

(xiv) industry consultants and accountancy firms; and

(xv) RCVS Knowledge.

(b) A series of roundtable conversations with members of the veterinary profession (including students and recently graduated vets), senior staff at

[27] On 25 September 2024, we announced the appointment of four vets and two vet nurses to our advisory panel. This provides us with insight and analysis on matters relating to practising as a veterinary nurse or veterinary surgeon. Veterinary services for household pets, appointment of veterinary advisory panel.

veterinary schools, chief veterinary officers at animal charities, and other relevant parties (such as representatives of consumer organisations);[28]

(c) A series of site visits to a range of FOPs and veterinary hospitals in different parts of the United Kingdom, both independently owned and part of LVGs; and

(d) Attending industry conferences.

1.26 In February and March 2025, we held hearings with each of the six LVGs, the RCVS, and the BVA, the BVNA, the BSAVA and the FIVP jointly, to discuss the issues we had set out in the February Working Papers. We published non-confidential summaries of the hearings on our case page.[29]

1.27 In May 2025 we held roundtables with Chief Veterinary Officers at animal charities, with vets who work at LVGs and with independent vets to discuss the remedies we had outlined in our Remedies Working Paper.

1.28 We considered that the evidence that we reviewed and the stakeholders we consulted would help us make fair and informed decisions. We took account of the nature and quality of the evidence, for example whether it was in contemporaneous business documents, financial data, or quantified or qualitative evidence, and whether it was consistent with other evidence.

The framework for our assessment

Terms of reference

1.29 The CMA made a reference for an investigation into the supply in the United Kingdom of veterinary services for household pets, including the supply of prescribed veterinary medicines for such pets.

1.30 As set out in the formal terms of reference[30] for the purposes of this reference:

(a) 'household pet' means an animal such as a dog or a cat, but not a farm animal, that is kept for companionship or protection and habitually resides in the owner's dwelling.

(b) 'veterinary services' includes but is not limited to the provision of:

(i) FOP services;

[28] We have published high level summaries of these roundtables on our case page: Veterinary services for household pets, summaries of roundtable discussions.
[29] Veterinary services for household pets, Hearing summaries.
[30] Terms of reference, 23 May 2024.

(ii) out-of-hours first opinion services;

(iii) referral centre services;

(iv) animal hospital services;

(v) pet cremation services;

(vi) diagnostic laboratory services; and

(vii) pet care plans.

1.31 'Prescribed veterinary medicines' means prescription-only medicines prescribed by a veterinary surgeon and prescription-only medicines prescribed by a veterinary surgeon, pharmacist, or suitably qualified person.

Our statutory duty

1.32 We are required to decide whether 'any feature, or combination of features, of each relevant market prevents, restricts or distorts competition in connection with the supply or acquisition of any goods or services in the United Kingdom or a part of the United Kingdom'.[31] If we decide that there are such features or combination of features, then there is an AEC.[32]

1.33 The relevant features that may have or contribute to an AEC include the structure of the market (such as market shares and concentration). They can also include the conduct of those who supply or acquire services (such as the way suppliers give (or do not give) consumers information and the way consumers respond).[33]

1.34 If we decide that there is an AEC, we must also decide:

(a) whether action should be taken by the CMA, or whether we should recommend the taking of action by others, for the purpose of remedying, mitigating or preventing the AEC or any detrimental effect on customers so far as it has resulted from, or may be expected to result from, the AEC;[34]

(b) and, in either case, if action should be taken, what action should be taken and what is to be remedied, mitigated or prevented.[35]

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[31] Section 134(1) of the EA02. For present purposes, 'relevant market' means a market in the United Kingdom for goods or services of a description specified in the reference (section 134(3)(b) of the EA02).
[32] Section 134(2) of the EA02.
[33] Section 131(2) of the EA02.
[34] Section 134(5) of the EA02. According to section 134(5) of the EA02, there is a detrimental effect on customers if there is a detrimental effect on customers or future customers in the form of: (a) higher prices, lower quality or less choice of goods or services in any market in the UK (whether or not the market(s) to which the feature or features concerned relate); or (b) less innovation in relation to such goods or services.
[35] Section 134(4) of the EA02.

1.35 In deciding the above questions on remedies, we must, in particular, have regard to 'the need to achieve as comprehensive a solution as is reasonable and practicable to the [AEC] and any detrimental effects on customers so far as resulting from the [AEC]'[36] and we may have regard to the effect of any action on any relevant customer benefits of the feature or features of the market(s) concerned.[37]

Next steps in the investigation

1.36 This document, together with its appendices, constitutes our provisional decision on AECs and on remedies. This also functions as a consultation and details of how to respond are available on our consultation page or by email to VetsMI@cma.gov.uk.[38] The deadline for responses is 14 November 2025.

1.37 Following consideration of responses to this provisional decision report and further hearings with interested parties, as well as any further evidence that we may receive, we will publish our final report. That would include any AEC findings we make and outline any remedies we would put in place. The statutory deadline for this is 22 May 2026.

1.38 Following the publication of the final report, the CMA has six months to accept final undertakings or make a final order to remedy any AEC.[39]

[36] Section 134(6) of the EA02.
[37] Section 134(7) of the EA02.
[38] https://connect.cma.gov.uk/vets-provisional-decision
[39] This time limit may be extended by a further four months for special reasons.

2. Context for the veterinary services market

2.1 In this section, we set out relevant context which informs the analysis throughout this provisional decision, including:

(a) what we mean by veterinary services and who buys them;

(b) some relevant trends in this market;

(c) an outline of how these services are supplied and by whom; and

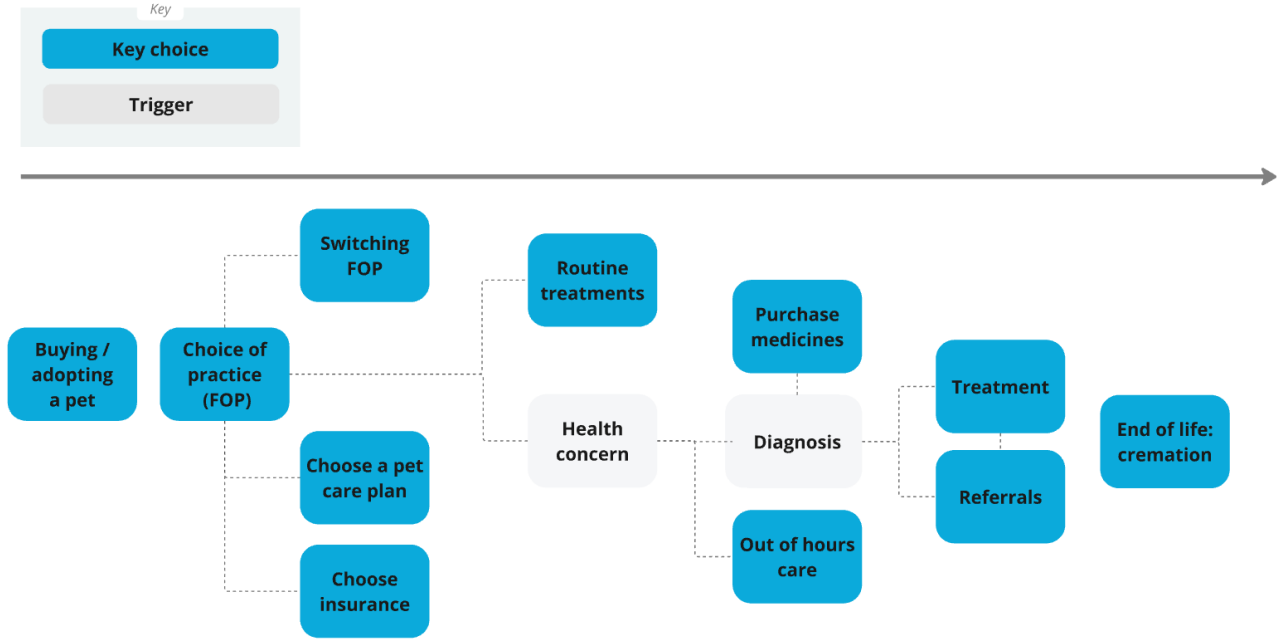
(d) an outline of the relevant regulatory framework.

2.2 In the following section we set out some overarching factors which affect the way that vet services are bought and sold, including the imbalance of expertise between vets and pet owners, the role of vets as a 'gateway' providing access to services and the role of the regulatory framework.

What do we mean by veterinary services?

2.3 Veterinary services refer to the treatments, diagnostics, advice and medicines that veterinary providers give to pets and their owners, both within normal working hours and as an out-of-hours (**OOH**) service. Throughout a pet's life, pet owners make a number of choices about these services, as summarised in Figure 2.1 and below.

Figure 2.1: Summary of the typical pet life events



Source: CMA analysis

2.4 **Buying or adopting a pet:** before making decisions about veterinary services, a pet owner first decides to get a pet. Typically, they will choose a type of pet (species and breed) and will then choose a specific pet.

2.5 **Choice of First Opinion Practices (FOPs):**[40] A FOP is typically the first port of call for veterinary services. Vets at FOPs offer general preventative care (such as vaccinations) and are the route to obtaining more extensive care, which they either provide themselves or through a referral to another practice, and other services (such as medicines).

2.6 The choice of FOP is typically the first key decision made by a new pet owner in relation to veterinary services. It often occurs directly after getting a pet and may reflect an owner's desire to obtain an initial health check, ensure that their pet is vaccinated or (a little later) neuter their pet. For those pet owners who choose a FOP later, choice of FOP may be triggered by their pet experiencing a health concern.[41] After choosing a FOP, pet owners can choose whether to remain with it or switch to an alternative FOP (if available). Pet owners often switch FOPs when moving home (36% of switchers in our pet owners survey), but also switch for other reasons, including being unhappy with the quality of care (25%) or the advice and recommendations (19%) of their previous vet.[42]

2.7 **Choice of pet care plan and/or insurance:**[43] Pet owners make separate choices whether to sign up for a pet care plan and whether to acquire pet insurance (and if so, for each, which option to choose). Pet care plans, otherwise known as pet health plans or healthcare plans, are paid subscriptions to a vet practice or group for a package of routine treatments and services. In our pet owners survey, 37% of pet owners said they subscribe to a pet care plan.[44] Around a quarter of UK pet-owning households are estimated to have pet insurance,[45] and 29% of

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[40] Some pet owners may choose not to use veterinary services provided by commercial FOPs, including because they use veterinary services provided by charities such as the People's Dispensary for Sick Animals (**PDSA**) or Royal Society for the Prevention of Cruelty to Animals (**RSPCA**). Such pet owners are not a focus of our assessment as it is the choices of pet owners who use commercial veterinary services that influence competition in the veterinary sector. We note that one attendee at our roundtable with vet charities indicated that there had been a large increase in demand for access to charities' veterinary care funds (money set aside by charities to help customers in private practice afford high vet bills) in recent years as prices have risen in the sector and as cost of living pressures have affected households. Summary of roundtable discussion with animal charities.

[41] 8% of respondents to our pet owners survey said that they only chose a vet when their pet needed urgent or emergency treatment. Vet Users Survey, Final Report, Accent for the CMA, January 2025, published 6 February 2025, (**Pet Owners Survey**), Q12, p22, Figure 15.

[42] Pet owners survey, Q33, p37, Figure 32.

[43] Pet care plans are provided direct to consumers by each of the LVGs and many independent vet providers. In contrast, pet owners acquire pet insurance from third-party insurers.

[44] Pet owners survey, Q108, p83, Figure 103.

[45] According to the Association of British Insurers (**ABI**), 4.4 million pet owners took out pet insurance in 2023 (ABI, Record numbers take out pet insurance for their four-legged fur-ends, 29 August 2024). UK Pet Food estimated that 60% of UK households (17.2 million) own one of the UK's 36 million pets in 2023/24 (UK Pet Food, Paw-some new pet population data released by UK Pet Food, 21 March 2024). Other estimates are broadly consistent with the above: Statista estimated that 57% of UK households owned a pet in 2023 (Statista, Pet ownership in the UK from 2012 to 2023); PDSA estimated that 51% of UK adults owned a pet in 2024 (2024 PDSA Animal Wellbeing (PAW) Report). We consider it possible that our pet owners survey oversampled pet owners with insurance with 56% of respondents reporting having pet insurance.

respondents to our survey said they have both a pet care plan and pet insurance.[46] Our analysis of pet care plans is outlined in part A, section 9.[47]

2.8 **Choice of routine treatments:**[48] Pet owners regularly choose whether to attend routine check-ups and to use standard preventative veterinary services such as vaccinations, neutering, and flea, tick and worm prevention treatments. There will sometimes be a discussion with the vet about what treatment is most suitable (such as type of flea treatment, or whether to opt for a simple or laparoscopic neutering, if offered). In our pet owners survey, the top three services used by pet owners in the last two years were vaccinations (used by 69% of pet owners), regular health check-ups (used by 57% of pet owners) and consultations to diagnose or treat a condition (used by 54% of pet owners).[49]

2.9 **Choice of non-routine treatments, including diagnostics and referrals:**[50] When a pet owner believes that their pet may have a health issue, they face a number of choices including whether to seek or continue to seek veterinary care, which questions to ask about the recommended course of action (if any), and whether to seek and compare alternative options, either from their regular vet or from alternative providers. A pet owner will need to choose between the treatment recommended by the vet at their FOP (or some parts of such treatment), any alternative treatments they are aware of, or no treatment at all. In some cases, vets refer pets for treatment elsewhere, whether to another individual vet or to a specialist referral centre. An important part of what the vet supplies is the advice about different pathways, alongside any treatment itself. Our pet owners survey indicated that 7% of respondents had used a diagnostic test service for their pet on their last visit with 26% using these services in the past two years.[51] 17% of respondents to our survey had either been referred or been recommended a referral in the past two years. 80% of respondents had had no referral recommended in that period.[52] 2% of respondents' pets had had surgery on their last visit, and 13% had had surgery in the past two years.[53]

2.10 **Choices regarding medicines:** FOPs provide prescribed veterinary medicines as part of their recommended treatments for pets. Prescribed veterinary medicines can also be obtained from third-party retailers (usually online pharmacies). Where pet owners wish to purchase prescribed medication from a third-party retailer, and

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[46] Pet owners survey, Q112, p 85, Figure 107, and Q108, p 83, Figure 103. CMA analysis of the raw data underlying both figures in the report.
[47] Part A, section 9: Pet care plans.
[48] Although we have drawn a distinction between routine and non-routine treatment, we recognise that there may sometimes be a connection between the two (for example where, during a routine treatment, a vet identifies a more complex condition).
[49] Pet owners survey, Q42, p 41, Figure 38. The survey did not separately ask about flea, tick and worming treatment.
[50] Although we have drawn a distinction between routine and non-routine treatment, we recognise that there may sometimes be a connection between the two (for example where, during a routine treatment, a vet identifies a more complex condition).
[51] Pet owners survey, Q42 and Q46, p 41, Figure 38 and p 42, Figure 40.
[52] Pet owners survey, Q58, p 52, Figure 53.
[53] Pet owners survey, Q42 and Q46, p 41, Figure 38 and p 42, Figure 40.

it is appropriate to do so (where the medication can be easily administered by the pet owner and is prescribed in a non-urgent context or is a preventative treatment), they need to request a written prescription from their vet. Vet practices must advise clients, by means of a sign displayed in the practice, that they can get a written prescription and obtain medicine elsewhere if they wish to do so. Only 16% of pet owners who purchased medicines in the past two years made their most recent purchase from a third-party retailer.[54]

2.11 **Choice of OOH provider and treatment:**[55] In emergency situations that occur out of standard hours, pet owners must decide whether or not to take their pet to an OOH provider, and if so, to which OOH provider. All FOPs must designate an OOH provider. Some FOPs provide OOH services themselves, but most outsource to a specialist OOH provider. In principle, pet owners could choose to seek out and compare alternatives to their FOP-appointed provider, though the ability to do this may be restricted if there is an urgent need for care. In our pet owners survey, 15% of participants said they had used emergency OOH services in the last two years.[56] Of those that needed OOH services, 48% went to their usual practice, which also offers OOH services, and 48% went to a different practice. Of the 48% who went to a different vet for OOH care, 70% found out about it from their usual vet practice[57] and 19% did their own search.[58] Once they arrive at an OOH provider, pet owners face similar choices to those listed above in 'choice of non-routine treatments', but with the additional option of waiting until normal business hours to receive treatment from their regular FOP.

2.12 **Choice of cremations provider and services:** When a pet dies, either naturally or as a result of being euthanised, pet owners need to decide whether to purchase cremation services, or to dispose of their pet through burial. If they choose to cremate their pet, owners may purchase a cremation via their FOP or choose to seek out and compare other options. Our pet owners survey indicated that 67% of pet owners whose pet had died in the last two years had had their pet cremated[59] and 64% used their own FOP for this service.[60] They may choose between individual or communal cremation. Pet owners are frequently offered additional elements when purchasing a cremation, such as paw prints, fur clippings, and storage vessels for the ashes (for individual cremations).

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[54] Pet owners survey, Q95 and Q96, p 76, Figure 94 and p 75, Figure 93. The number of respondents answering 'In person from a retailer or pharmacy' and 'Online from a retailer or pharmacy' for Q95 and Q96 were combined and divided by the sum of total respondents to these two questions.
[55] FOPs are required to make OOH services available to their clients, which can either be done in-house, or outsourced to a third party.
[56] Pet owners survey, Q42, p 41, Figure 38.
[57] We consider it likely that most vet practices recommended their dedicated OOH provider, but the pet owners survey data does not allow us to confirm this.
[58] Pet owners survey, Q88c, p 70, Figure 84.
[59] Pet owners survey, Q103, p 79, Figure 97.
[60] Pet owners survey, Q104, p 83, Figure 104.

Who buys veterinary services?

2.13 In general, evidence from our pet owners survey and public resources indicate that pet ownership is distributed across a range of demographics. Pet ownership is spread across both rural and metropolitan locations and across a range of other demographic splits including age,[61] gender[62] and financial situation.

2.14 Pet owners face a wide range of financial situations, with 3% of respondents in our pet owners survey reporting annual household income of up to £9,999 and 12% reporting a household income between £10,000 and £20,999. At the other end of the scale, 16% of respondents reported household incomes of above £75,000.[63] In terms of describing their own financial situation, about 12% of respondents reported that they were finding their financial situation 'very' difficult or 'quite difficult'. By contrast, 23% reported that their household was 'living comfortably'.[64]

2.15 We do not have information on the financial literacy of pet owners specifically. We note however that levels of financial literacy in the UK are low[65] and that there is a strong positive correlation between income and financial literacy which may leave pet owners on low incomes less able to make fully informed decisions.[66]

2.16 Pet owners have different motivations for pet ownership. In our pet owners survey, many pet owners reported relying on their pets for emotional and/or physical support, and a small number reported relying on highly trained pets for vital assistance.[67] Many people view their pet as part of the family and consider its healthcare to be as important as the healthcare of a family member.[68]

2.17 UK pet owners have a range of experience of owning pets, from new pet owners through to owners with several pets or owners who have experienced the lifecycles of many pets. In our pet owners survey, most respondents reported

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[61] Age distribution was: 5% 18-25, 19% 25-34, 19% 34-44, 19% 45-54, 20% 55-64; 13% 65-74, 4% 75+(Pet owners survey Q1, p 16, Figure 4).
[62] Gender distribution was 68% female, 30% male, 1% other or prefer not to say (Pet owners survey Q137, p 17, Figure 5).
[63] Pet owners survey, Q139a, p 18, Figure 8.
[64] Pet owners survey, Q139, p 18, Figure 7. We note that financial status can be considered a sensitive topic for participants to share. This can introduce bias in reporting, particularly within lower income ranges and for participants that have a negative perception of their financial situation.
[65] Accelerating Progress - Financial Capability in the UK, 2025, The London Foundation for Banking and Finance, pp 5 and 14.
[66] Accelerating Progress - Financial Capability in the UK, 2025, The London Foundation for Banking and Finance, p 16.
[67] 87% of respondents reported that their pet 'provides emotional support (eg companionship, comfort)', 72% reported that it 'helps reduce stress or anxiety', and 48% reported that it 'supports my physical health (eg exercise, mobility)'. 1% of respondents reported owning trained service animals. Pet owners survey, Q135, p 131, Figure 135. Across the UK, there are over 7000 'assistance dogs', which are highly trained to support disabled people and people with medical conditions in a variety of ways (Assistance Dogs UK - ADUK). This is around 0.05% of the 13.5 million dogs in the UK, as estimated by UK Pet Food.
[68] 78% of respondents to our pet owners survey reported that they would consider their pets' healthcare 'more important' or 'equally important' than the healthcare of a family member. Pet owners survey, Q134, p 101, Figure 135.

having over a decade of experience (62%). 24% reported having four to 10 years of experience and 14% reported having less than four years of experience.[69]

2.18 Some UK pet owners have pet insurance which covers (some of) the costs of more complex, non-routine treatment. In our pet owners survey, 56% of respondents reported having pet insurance, 9% of respondents reported not currently having insurance but having had pet insurance at some point in the last three years and 34% of respondents reported not having had insurance in the past three years.[70] The rates of insurance uptake reported in our survey are higher than more general estimates, which indicate that around a quarter of UK pet-owning households have pet insurance.[71] This difference may be explained by our survey methodology.[72]

2.19 Evidence from our pet owners survey indicates that insurance uptake is correlated with higher spending on veterinary services. However, it is not clear whether there is a causal relationship between insurance and expenditure, given that consumers with insurance may have different characteristics from other pet owners and that these characteristics may independently explain higher expenditure. Pet owners with insurance do not necessarily have all their veterinary costs covered by the insurance company. For example, there is often an excess to be paid which may be either a fixed amount per claim, a percentage of the claim or both. Some policies only cover vet care arising from accidents. Routine vet care (such as initial consultations and vaccinations) is usually not covered by insurance policies.

Relevant trends

2.20 This is a sector which has undergone significant changes over the last 10 to 15 years. Important developments include:

(a) Pet ownership increased during the Coronavirus (**COVID-19**) pandemic, which led to increased demand on vet services (especially as many of the new pet owners were relatively inexperienced purchasers of vet services). These 'lockdown' pets are now four to five years old and over the coming

[69] Pet owners survey, Q4.
[70] Pet owners survey, Q112.
[71] According to the Association of British Insurers (ABI), 4.4 million pet owners took out pet insurance in 2023 (ABI, Record numbers take out pet insurance for their four-legged fur-ends, 29 August 2024). UK Pet Food estimated that 60% of UK households (17.2 million) own one of the UK's 36 million pets in 2023/24 (UK Pet Food, Paw-some new pet population data released by UK Pet Food, 21 March 2024). Other estimates are broadly consistent with the above: Statista estimated that 57% of UK households owned a pet in 2023 (Statista, Pet ownership in the UK from 2012 to 2023); PDSA estimated that 51% of UK adults owned a pet in 2024 (2024 PDSA Animal Wellbeing (PAW) Report).
[72] Our pet owners survey sample comprised adults with an eligible pet who had used a vet practice (within the last two years). If pet owners that use vets are more likely to have insurance, it is possible that our pet owners survey included more pet owners with insurance than the population of all pet owners. The research method was a 'push to web' approach, via post. It involved drawing a random sample of residential addresses from the Post Office Address File, a comprehensive list of all known delivery points in the UK (which provides a robust sampling base as all potential participants can be sampled) and sending letters to the sampled addresses. The letter was targeted at adults in a household with an eligible pet (such as a dog or a cat). Overall, 65,819 letters were posted, with 2,376 of those completing the online survey. Pet owners survey, p 6.

years are likely to need increasing levels of veterinary care as they age. Some estimates indicate that the proportion of UK households owning a pet increased from 41% in 2019/20 to 60% in 2023/24.[73] It appears that pet ownership may have fallen since the lockdown peak. One estimate indicates that 51% of UK adults owned a pet in 2024.[74] Data obtained from the LVGs indicates that the number of unique pets treated by these businesses increased substantially (33%) between 2020 and 2022, though year-on-year growth slowed in the financial year 2023/24 (6%) and there was a slight reduction in the financial year 2024/25 (year on year growth of -1%).[75]

(b) Alongside a period of increasing pet numbers, vets have told us that there is a staff retention problem in the veterinary industry and that it can be difficult to recruit vets and vet nurses. We discuss this further below.

(c) Developments in medicine and clinical practice have made an increasingly advanced range of clinical options available for pets, meaning that some conditions can now be diagnosed and treated when, in the past, the only option would have been to euthanise the animal. Some vets have told us that this has changed pet owners' expectations of what veterinary care can achieve, and that these expectations have been influenced by TV programmes which show advanced veterinary procedures (though usually without any discussion of the associated cost). Some vets, and others, have also highlighted concerns about the use of antiparasitic medicines, which are routinely included in pet care plans.[76]

(d) Vets have told us that people are increasingly acquiring animal breeds which have inherent health issues and are therefore likely to require greater levels of veterinary care, or more complex interventions.[77]

(e) There has been extensive consolidation in the industry. In 2013 only 10% of local practices were owned by LVGs, but this share is now 60%. Some of these large groups have to differing extents invested in related services such

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[73] UK Pet Food, UK Pet Population and Historical Pet Population data, last accessed June 2025.
[74] PDSA Animal Wellbeing (PAW) Report, 2024.
[75] Each LVG provided us with information on the number of unique pets they treated in each financial year. Growth rates were calculated by summing figures from all LVGs together for each year. [✂] has been excluded from these calculations as it could not provide information for all the relevant financial years. Source: CMA calculations based on responses to RFI17.
[76] For example: BVA, BSAVA, BVNA, SPVS, VMG response to the February 2025 working paper on how people purchase veterinary services, March 2025, paragraphs 23 – 24 and BVA, BSAVA, BVNA, SPVS, VMG response to the February 2025 working paper on the regulatory framework for veterinary professionals and veterinary services, March 2025, paragraphs 35 – 36.
[77] The British Veterinary Association (**BVA**) website notes that 'in 2018, the French bulldog overtook the Labrador Retriever as the UK's most popular dog breed, with an almost 3,000% increase in numbers in the previous 10 years.' It also indicates that 'flat-faced dogs [like the French bulldog] can suffer from a range of serious health and welfare issues, including breathing problems, eye disease, inability to mate or give birth naturally, and skin and dental problems.' BVA - Breed to breathe campaign (accessed July 2025). Vets made this point during several of the site visits we undertook.

as online pharmacies, crematoria, referral centres and diagnostic laboratories.

(f) Alongside this consolidation, there has been entry and expansion in the supply of FOP services.[78] We have evidence of around 745 new FOP sites opening in the period 2014 to 2024.[79] Just over half of these (388 FOP sites) are currently owned by independents, while 48% (357 FOP sites) are currently owned by LVGs. Of the 259 FOP sites that opened since 2020, 79% (204 FOP sites) are currently owned by independents, and 21% (55 FOP sites) are currently owned by LVGs. Pets at Home has opened 61% (216 FOP sites) of the new sites opened by LVGs since 2014.

(g) Prices of vet services, and overall vet bills for pet owners,[80] have increased significantly in recent years, and increased much faster than general services inflation.[81] Our analysis indicates that between January 2016 and December 2023 average prices grew by 63% and average first-year treatment expenses (a measure of overall vet bills) increased by 53%, while general services inflation grew by 32%.[82]

(h) There has been some degree of innovation in the market, leading to different services and types of businesses. This includes FOPs offering subscription-based models, telemedicine, or mobile veterinary services, though these remain a small proportion of FOP services. In our pet owners survey, 7% of participants said that they had used a remote consultation, telemedicine or video vet in the past two years.[83]

(i) In the past few years, the concept of 'contextualised care' has become an important consideration. 'Contextualised care' is a relatively new term for something that many vets have always done, namely taking into account the circumstances of the pet and its owner when considering which is the most appropriate treatment, including the animal's age and general health, and the pet owner's financial situation and ability to bring the animal to the vet or care for it at home during the treatment.[84] Contextualised care does not necessarily mean recommending the cheapest treatment that is affordable to an owner. It includes taking into account wider considerations than financial

[78] Appendix A contains evidence on barriers to entry and expansion in FOP services.
[79] There are currently around 4,500 FOPs in the UK.
[80] As discussed in detail in part A, section 7, to obtain a proxy of overall vet bills we estimated first-year treatment costs by summing the values of all insurance claims submitted over a 12-month period.
[81] Part A, section 7: Market outcomes.
[82] ONS, CPI Index: services.
[83] Pet owners survey, Q124, p 95.
[84] Contextualised care 'acknowledges that there are different ways to approach the diagnosis and treatment of an animal, depending on the circumstances of the individual animal and their caregivers, and the context in which the care is delivered'. RCVS Knowledge, Contextualised Care - RCVS Knowledge (last accessed 14 August 2025).

ones, such as concerns over an animal's quality of life and an owner's ability to manage the animal's condition.

Suppliers of veterinary services

Veterinary professionals

2.21 Veterinary services are provided by vets and vet nurses. The RCVS maintains a register of individual vets and vet nurses who are entitled to practise in the UK. There were around 30,300 vets and around 23,500 vet nurses on the register in March 2024.[85] The profession appears to have grown significantly in the last 20 years: as part of its review into veterinary medicines, the Competition Commission estimated that 9,700 vets worked in general practice in 2002.[86]

2.22 Vets who have a veterinary degree from a recognised university may register with the RCVS; registration is renewed on an annual basis.[87] The RCVS operates a Code of Professional Conduct for Veterinary Surgeons (the **Code**) which sets out their mandatory professional responsibilities, with supporting guidance to the Code (the **Guidance**) providing more detailed information on the standards of practice expected.[88]

2.23 On registration with the RCVS, and in exchange for the right to practise as a veterinary professional in the UK, veterinary professionals make the following declaration:

> I PROMISE AND SOLEMNLY DECLARE that I will pursue the work of my profession with integrity and accept my responsibilities to the public, my clients, the profession and the Royal College of Veterinary Surgeons, and that, ABOVE ALL, my constant endeavour will be to ensure the health and welfare of animals committed to my care.

2.24 The Code contains overarching principles of practice by reference to which vets seek to ensure the health and welfare of animals committed to their care and to fulfil their professional responsibilities. These principles are professional competence; honesty and integrity; independence and impartiality; client confidentiality and trust; and professional accountability.[89]

2.25 Vet nurses work within veterinary teams, providing valuable supportive care to animals. They carry out technical work and are skilled in undertaking a range of

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[85] RCVS evidence to parliamentary committee (accessed May 2025).
[86] Veterinary Medicines: A report on the supply within the United Kingdom of prescription-only veterinary medicines (Competition Commission, April 2003), paragraph 2.99.
[87] Vets from overseas without a recognised qualification must pass the RCVS Statutory Membership Exam.
[88] RCVS, Code of professional conduct for veterinary surgeons.
[89] RCVS, Code, Principles of practice.

diagnostic tests, medical treatments and minor surgical procedures under the direction of a vet.[90]

2.26 Vet nurses who have completed the appropriate training may join the RCVS register. Whereas it is an offence under the Veterinary Surgeons Act 1966 (**VSA)** for an unregistered person to use the title 'vet', the title of 'veterinary nurse' is not protected in statute, meaning that people without qualifications and not registered with the RCVS may describe themselves as vet nurses.[91] There is a Code of Professional Conduct for Veterinary Nurses and supporting guidance to that code.[92]

2.27 There have been widespread issues in shortages of staff and retention of current staff, experienced by both the LVGs and independents, with some noting overseas vets leaving after Brexit as an exacerbating factor.[93, 94]

2.28 Analysis conducted by the Institute for Employment Studies on behalf of the RCVS indicated that part time working in the sector has become more common in recent years, rising from 11% to 27% between 2000 and 2024 for vets, and from 19% to 28% between 2010 and 2024 for vet nurses.[95] In 2024, 61% of vets and 70% of vet nurses worked full time.[96]

2.29 In its 2024 workforce modelling report, the RCVS forecast that the number of UK practising vets will increase to 44,760 by 2035, including a 62% increase in the number of small animal vets.[97] The RCVS predicts that this increase will significantly reduce the workforce shortages faced by the sector in recent years.[98] The BVA told us that this forecast might be overly optimistic as it may

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[90] RCVS, I want to be a veterinary nurse (accessed 29 January 2025).
[91] Although it should be noted that veterinary surgeons and veterinary nurses should not hold out a colleague as a 'veterinary nurse' unless that colleague is appropriately registered with the RCVS. Supporting Guidance for Nurses, Treatment of animals by unqualified persons, paragraph 19.8.
[92] RCVS, Code of professional conduct for veterinary nurses.
[93] Summary of Edinburgh roundtable discussions p 1. Summary of Manchester roundtable discussions p 2. Summary of Swansea roundtable discussions p 2. BVA: Vet practices managing triple whammy of Brexit, Covid, and pet boom, (accessed 7 August 2025).
[94] All six LVGs and 24 of the 27 independents we asked named staffing as one of the main challenges they faced, many of them naming it the key challenge faced. [✂] Response to RFI1 Q1. [✂] Response to RFI1 Q1. [✂] Response to RFI1 Q1. [✂] Response to RFI1 Q1. [✂] Response to RFI1 Q1. [✂] Response to RFI1 Q1. Small/medium chains response to Q1: all but one mentioned staff shortages as a challenge. Many highlighted recruitment and retention as the key challenge they face. Q1: all but two responses highlighted recruitment and retention as a challenge.
[95] RCVS, The 2024 Survey of the Veterinary Profession report - Professionals, p 134. The 2024 Survey of the Veterinary Nursing Profession report - Professionals, p 136. Both published 27 November 2024.
[96] A further 9% of vets surveyed were 'retired', 2% were 'taking a career break', 1% were 'unemployed', and 1% were undertaking 'voluntary work'. The 2024 Survey of the Veterinary Profession report - Professionals, p 31. A further 2% of vet nurses surveyed were 'taking a career break', 1% were 'unemployed', and less than 1% were undertaking voluntary work or were retired. The 2024 Survey of the Veterinary Nursing Profession report - Professionals, p 30.
[97] 2024 RCVS Workforce Modelling Report - Professionals, table 4.3, p 25.
[98] The RCVS projects that, in clinical practice, supply of vets will increase from 91% of total demand in 2023 to nearly 99% in 2035. 2024 RCVS Workforce Modelling Report - Professionals, p 6.

overestimate the number of undergraduate vets who will remain within the UK profession long-term or choose to work full-time hours.[99]

2.30 There have been significant changes in the working patterns of veterinary professionals over the past several years. Vets used to work long hours, with unpaid weekend and night shifts and little or no paid holiday, sick leave or parental leave.[100] The BVA and vets in our roundtable discussions have indicated that this way of working is much less common now, and that many vets are benefitting from more flexible working arrangements and paid leave.[101]

2.31 Research for the RCVS has indicated that it is common for vet professionals to experience poor mental health due to the stress of the role and workload pressures.[102] Similarly, vets have told us that the suicide rate is high among the veterinary profession.[103]

Veterinary businesses

2.32 Unlike NHS care for humans, there is no state funded animal healthcare in the UK and therefore, apart from those provided by a few charities who do excellent work but find it difficult to meet the demand for charitable services,[104] veterinary services are provided to pet owners on a commercial basis. In the last 10 to 15 years, it has become increasingly common for veterinary businesses to be owned, controlled and/or managed by non-vets.[105] Prior to this veterinary businesses were typically owned and controlled by veterinary professionals.[106] There is a range of

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[99] At the hearing on 14 March 2025, the BVA told us that the RCVS report did not account for the significant portion of overseas students who choose to leave the UK soon after qualifying. It said that the RCVS may have overestimated the number of vets who will rejoin the Register after previously leaving, and underestimated the proportion of vets who would work part-time hours.
[100] Many more experienced vets have told us that when they started working in the sector, 'full time' working included very long hours as well as some on-call sessions to cover OOH care.
[101] The BVA website notes that the COVID-19 pandemic has resulted in a greater recognition of how veterinary teams can work more flexibly and notes how this can improve work-life balance. BVA website: Good workplaces - workload and flexibility. Attendees at our roundtable with vets working at LVGs noted that flexible working, an increased focus on mental health, and the provision of benefits like maternity leave were positive for vet wellbeing. Summary of vets who work at large corporate groups roundtable discussions, paragraph 4. One vet at our Edinburgh roundtable indicated that corporate vets had driven improvements to work-life balance across the sector. Summary of Edinburgh roundtable discussions, paragraph 6. A vet in our Swansea roundtable said that LVGs offered additional benefits such as maternity pay or paid holiday leave. Summary of Swansea roundtable discussions, paragraph 4. One attendee at our roundtable with vets who recently set up a practice indicated that in order to attract staff as an independent, they had to try match the salaries and benefits provided by LVGs. Summary of vets who recently set up a practice roundtable discussion, paragraph 5.
[102] The 2024 Survey of the Veterinary Profession report - Professionals, p12.
[103] For example, https://www.bbc.co.uk/worklife/article/20231010-the-acute-suicide-crisis-among-veterinarians-youre-always-going-to-be-failing-somebody.
[104] Due to their non-commercial status, these charitable providers generally focus on what they term 'pragmatic care', which tends to pursue complex treatments less often than happens in commercial practice.
[105] In 2013 around 10% of vet practices belonged to large groups, but that share is now almost 60%. Small practices may have a single vet or non-vet practice manager, while larger veterinary businesses often have more extensive and professionalised management.
[106] In 1997 the RCVS acknowledged that non-vets could own vet practices. There was no formal change to the regulatory framework at this point, but non-vets, whether corporations or individuals, were able to own and influence the business of vet practices without being subject to the Code which sets out the principles of practice that registered veterinary professionals are required to follow.

different business models across veterinary businesses, including independent practices, joint ventures[107] and corporate ownership.

First opinion practices

2.33 Veterinary care for a household pet almost always begins at a FOP in the pet owner's local area. FOPs vary considerably in their size, offering, and ownership model. Some FOPs are small sites employing one or a few vets, whereas others are large sites with many veterinary professionals and support staff. Some independent veterinary businesses characterise themselves as a single 'veterinary practice' with a number of FOP sites, which share certain resources.

2.34 FOPs differ in the range of services they offer from basic levels of care to diagnostics and treatments involving advanced equipment or Specialists[108] or Advanced Practitioners[109] who work in (or visit) the practice.

2.35 At 23 May 2025, there were 4,417 small animal FOPs in the UK, owned by 1,198 different veterinary businesses, as shown in Table 2.1 below. There are six LVGs (with between 180 and 900 FOPs each): CVS, IVC Evidensia (**IVC**), Linnaeus, Medivet, Pets at Home and VetPartners. There are four mid-tier firms (with 10 to 38 FOPs each) and a large number of smaller groups and independents with one to nine FOPs which make up the rest of the market. The largest independent chain, [✂], operates 38 practices.[110]

[107] These seek to get the benefit of both larger scale, for example in procurement, and aligning the joint owner's incentives with those of the business.
[108] A Specialist vet, as defined by the RCVS, will have at least a postgraduate diploma level qualification. RCVS, Specialist status
[109] Advanced Practitioner status, as set out by the RCVS, is an official recognition of a veterinary surgeon's particular knowledge and skills in a designated field of veterinary practice. RCVS Advanced Practitioner status
[110] Independent response to RFI1.

Table 2.1: Number of small animal FOPs, 2025

Ownership	*Number of FOPs**	*Share (%)*
IVC	900	20
Pets at Home	445	10
CVS	387	9
VetPartners	375	8
Medivet	363	8
Linnaeus	180	4
Independents	1767†	40
Total	4417	100

Source: RFI4 data submissions, responses to putback and desk research for IVC, CVS, Linnaeus, Medivet, Pets at Home and VetPartners. Data on the number of independent FOPs was obtained by contacting individual practices. More information is in our working paper Analysis of local competition and Appendix A:Local concentration analysis and barriers to entry and expansion.
As the number of FOPs for independents is likely to be an underestimate, the shares presented for the LVGs are an upper bound, and the share presented for independents is a lower bound.
** We note that the number of LVG FOPs in the table differs from those set out in our working paper Analysis of local competition, 6 February 2025. This is because different data sources have been used.*
† This number represents the number of independent FOPs that are 'confirmed practices' (such as practices that responded to our information request and confirmed they are a FOP). We attained a response rate of 79% to our information request, so this figure is likely an underestimate.

Overview of the LVGs

2.36 The LVGs are not homogeneous in structure. They vary in terms of size, ownership model and the number and type of veterinary services they provide. As part of our competition assessment throughout this document, we bear in mind differences between the LVGs in terms of pricing strategy, profitability and information provision.

2.37 **IVC** has the highest share of FOPs in the UK (900 practices in May 2025). IVC's ultimate parent company is Islay New Group Holding SA, a company which, in turn, is owned by private equity group EQT and others.[111, 112] As well as its FOP business, IVC owns 11 referral-only centres,[113] 65 veterinary hospitals,[114] a dedicated OOH service called Vets Now (including some Vets Now hospitals which offer OOH referral services), pet crematoria, a pet care plan business through Pet Health Club, and an online pharmacy business for animal medication named Pet Drugs Online (PDOL).[115]

2.38 **Pets at Home** had 445 FOPs at May 2025,[116] and trades under the entities Companion Care (Services Limited) and Vets4Pets for veterinary services.[117] It is publicly listed and mainly operates a 50/50 joint venture model for its vet

[111] IVC response to RFI1, Q2. Islay New Group Holding SA is incorporated in Luxembourg with registration number B252223.
[112] IVC has a large international presence in the market for veterinary services. It describes itself as 'a global leader in veterinary care' and operates in around 2,500 locations across 20 countries. https://ivcevidensia.com/, last accessed 29 July 2025.
[113] IVC response to RFI4, and IVC response to RFI9. Updated based on CMA desk research. IVC's website listed 96 practices (including referral centres/hospitals) in the UK that offered referral services for small animals. IVC, Referral clinics Last accessed 31 July 2025.
[114] An accreditation available to practices as part of the PSS.
[115] IVC response to RFI1.
[116] Pets at Home response to RFI1, Q4. Updated based on CMA desk research.
[117] Pets at Home response to RFI1, Qs 2 and 4.

practices.[118] Within the Pets at Home group, practice ownership is organised as a Joint Venture (**JV**) between one or more Joint Venture Practice Owners (**JVPOs**) who are often, but not always, vets, and Pets at Home. Pets at Home has told us that its JVPOs retain clinical and operational autonomy, and take decisions with regards to investment, recruitment and pricing.[119] JVPOs pay a management fee to Pets at Home for using the brand, and for a range of support functions, including IT, accounting, HR and optional centralised procurement. This management fee also includes [✂].[120] Pets at Home has other businesses including telehealth services, and a retail business providing pet-related products.[121] Its retail business stores often have its vet services business Vets4Pets located within them.

2.39 **CVS** had 387 FOPs at May 2025.[122] CVS operates its small animal vets under the trading name 'The Vet Collection'. It is a publicly listed company. CVS owns nine referral-only centres,[123] 40 veterinary hospitals, two diagnostic laboratories, a dedicated OOH business called MiNightVet, an online pharmacy for animal medication named Animed Direct and two veterinary buying groups for private veterinary practices called MiVet Club and VetShare.[124]

2.40 **VetPartners** had 375 FOPs at May 2025.[125] It is (indirectly) majority owned by funds managed by BC Partners, a private equity company.[126] VetPartners owns two referral-only centres,[127] 29 veterinary hospitals, a pet crematorium and clinical waste disposal service called Pet Cremation Services (PCS), an online pharmacy for animal medication called VetUK, and two veterinary nursing schools.[128]

2.41 **Medivet** had 363 FOPs at May 2025.[129] It is owned by funds managed by CVC Capital Partners, a private equity company.[130] Medivet owns most of its practices, but operates a branch partnership model in a minority [✂] of its practices, where each month clinic profits and costs are split between the Branch Partner (the vet in charge of the practice) and Medivet based on the percentage of equity owned.[131]

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[118] There are also a smaller number of group managed practices where Pets at Home owns 100% of the shares, although Pets at Home submitted that these practices are usually in the process of finding practice owners as Pets at Home's preference is to operate its portfolio of FOPs via its JV model. Pets at Home response to RFI3, Q4, p 3 and Pets at Home response to RFI20, Q3.
[119] Pets at Home response to RFI3, Q4, p 3. Pets at Home presentation to the CMA, May 2025, slide 14.
[120] We note that JVPOs have the choice whether to use the centralised procurement service, which includes [✂]. Pets at Home response to RFI7, Annex 001 'The Efficiencies of the Pets at Home Joint Venture (JV) Business Model', p 4.
[121] Pets at Home response to RFI1, Q2, p 1 and Q33, p 10.
[122] CVS response to RFI1, Q4. Updated based on CMA desk research.
[123] CVS response to RFI4, and CVS response to RFI9. Updated based on CMA desk research.
[124] CVS response to RFI1, [✂]. CVS response to putback.
[125] VetPartners response to RFI2. Updated based on CMA desk research.
[126] VetPartners response to RFI1, Qs 2 and 3.
[127] VetPartners response to RFI4, and VetPartners response to RFI9, Q2. Updated based on CMA desk research.
[128] VetPartners response to RFI1, Q33.
[129] Medivet response to RFI1, Q4. Updated based on CMA desk research.
[130] Medivet response to RFI1, Q2.
[131] Information obtained from Medivet's website, last accessed 23 December 2024. https://www.medivetgroup.com/about-medivet/become-a-branch-partner/. [✂] of the practices owned by Medivet were listed as partnerships.

Medivet owns three referral-only centres,[132] 21 veterinary hospitals and a diagnostic laboratory business.[133] Medivet operates a 'hub-and-spoke model', whereby pets can be transferred for treatment from smaller 'spokes' to larger Medivet 'spokes' or 'hubs'.[134]

2.42 **Linnaeus** has the smallest share of FOPs of the six LVGs (180 practices at May 2025). Linnaeus is owned by Mars Incorporated.[135] Linnaeus has 18 referral-only centres,[136] the largest group of dedicated referral centres in the UK, and 21 veterinary hospitals. Mars owns three diagnostic laboratories (branded under the name Antech) in the UK.[137] Mars also sells pet-related services through the manufacture and supply of pet food under multiple brands (such as Pedigree).[138]

2.43 As is evident from the above, most of the corporate groups are vertically integrated, albeit to differing extents, and have ownership of providers of related veterinary products and services. CVS and IVC appear to own a larger number of related businesses and services than the other LVGs while Pets at Home does not own any related businesses and services aside from its telehealth services. This is summarised in the table below.

Table 2.2: LVGs' related businesses and services, 2025

	CVS	IVC	Linnaeus	Medivet	Pets at Home	VetPartners
Referral-only centres	✓	✓	✓	✓		✓
Specific out-of-hours business*	✓	✓				
Diagnostic laboratory	✓		✓**	✓		***
Crematoria****		✓				✓
Online pharmacy	✓	✓				✓

Sources: CVS, IVC, Linnaeus, Medivet, Pets at Home, VetPartners
** A specific out-of-hours business is a provider that focuses on out-of-hours veterinary care, including providing services to other FOPs to allow them to meet their obligations to make OOH services available.*
*** Mars Incorporated, Linnaeus's parent company, owns Antech Diagnostics*
**** VetPartners has a diagnostic laboratory, but it submitted that as [✂] of its diagnostic laboratory revenue comes from small animal testing, it should be excluded from the list of diagnostic laboratories.[139]*
***** CVS sold its cremation business in April 2025.*

2.44 The majority of LVGs derive their revenues solely or primarily from their small animal FOPs but some also provide specialist services and/or serve larger animals

[132] Medivet response to RFI4, and Medivet response to RFI9. Updated based on CMA desk research and Medivet response to putback.
[133] Medivet response to RFI1, Q33.
[134] Medivet response to the February 2025 working papers, 21 March 2025, footnote 64.
[135] Mars Incorporated has a large international presence in the market for veterinary services. It describes itself as 'a global veterinary health organisation' with 3,000 clinics worldwide. Mars Petcare website, last accessed 5 June 2025. https://marsveterinary.com/. It was reported as being the second largest pet nutrition company in the world in 2023 by total revenues. Leading global pet food companies based on revenue 2023| Statista.
[136] Linnaeus response to RFI4, and Linnaeus response to RFI9. Updated based on CMA desk research.
[137] Linnaeus response to RFI1, Q33.
[138] Linnaeus response to RFI1, Q51.
[139] VetPartners response to draft diagnostics RFI.

including via mixed practices. The following table sets out how individual LVGs vary across these dimensions.

Table 2.3: Breakdown of UK clinical veterinary revenues for each LVG (%)

		Small animal-focussed sites			***Subtotal***	*Farm / equine / mixed practices†*	***Total UK clinical veterinary***
	Year end	*FOPs**	*RCVS-specialist led referral centres*	*Out-of-hours (OOH)**			
[✂]	Jun-23	[✂]	[✂]	-	[✂]	[✂]	**100**
[✂]	Sep-23	[✂]	[✂]	[✂]	[✂]	[✂]	**100**
[✂]	Apr-24	[✂]	[✂]	-	**100**	-	**100**
[✂]	Dec-23	[✂]	[✂]	-	**100**	-	**100**
[✂]	Mar-24	[✂]	-	-	**100**	-	**100**
[✂]‡	Jun-24	[✂]	[✂]	-	[✂]	[✂]	**100**

Source: Responses to RFI 6 (financial information), from each of the LVGs
**FOP revenue will also include any OOH revenues earned by the LVG except for [✂] (non-[✂] OOH revenues for [✂] will also be included in the FOP revenue row). [✂] is a separately-run specialist OOH operations, which also provides OOH services to the clients of some FOPs not owned by [✂]. [✂] also operates an OOH service which, like [✂], provides OOH services to the clients of some FOPs not owned by [✂]. [✂], however, has not accounted for its OOH operations, including its revenues, in way that separates them from the rest of its small animal-focussed activities.*
FOP revenue will also include any referral work which is done within a FOP.
†Some LVGs have some farm and equine practices as well as those which are mixed practices.
‡In the year to June 2024, [✂] derived [✂]% of its 'farm / equine / mixed practice' revenues from mixed, with the balance relating to farm and equine practices.

2.45 Revenues earned by LVGs from the sale of medicines and related fees via their FOPs typically comprise around 20% of total FOP revenues.[140]

2.46 Not all LVG FOPs are transparent about their ownership:

(a) Medivet and Pets at Home have operated under uniform branding for a significant period of time.

(b) IVC, Linnaeus and VetPartners do not operate under uniform branding for their FOPs – rather, they retain the name and branding of independently owned practices or small chains when they acquire them.

(c) CVS recently started using 'The Vet Collection' as a banner online for the FOPs within its group and now lists all its FOPs on one page of its Vet Collection website.[141] However, this does not clearly make the link to ownership by CVS and it is unclear the extent to which CVS has adopted uniform branding in physical practices, or whether it has proactively advised its existing customers of this online rebranding or of CVS group ownership.

[140] CMA analysis of RFI6, from all LVGs. We calculated the percentage of revenue from medicines for each LVG, then took a simple average across the six LVGs to get an overall figure.
[141] Find Your Nearest Veterinary Practice | The Vet Collection.

Regulatory framework for veterinary services

Regulatory framework

2.47 The regulatory framework for veterinary services includes:

(a) the Veterinary Surgeons Act 1966 (**VSA**);

(b) the RCVS as the regulator of the profession,[142] and the RCVS's Supplemental Royal Charter of 2015 (the **Charter**),[143] the Code and the Guidance,[144] and the RCVS's (voluntary) Practice Standards Scheme (**PSS**);

(c) mechanisms for regulating medicines: the Veterinary Medicines Directorate (**VMD**) and the Veterinary Medicines Regulations (**VMR**);[145]

(d) non-statutory structures, such as the Veterinary Client Mediation Service (**VCMS**); and

(e) the Department for Environment, Food and Rural Affairs (**Defra**),[146] which is responsible for animal health and welfare in the UK including the provision of veterinary services.

2.48 The VSA, which underpins the regulatory framework, is almost 60 years old. Since it came into force, the industry has undergone substantial change. Not only has there been the consolidation described above, which has resulted in many veterinary businesses being owned or managed by non-vets (who are not captured by professional regulation), but people are spending more on a range of sophisticated vet services as treatment options have expanded.

2.49 The RCVS has a unique dual role among regulators and describes itself as a 'Royal College that regulates'. Underpinned by the VSA and the Charter, the RCVS has responsibility for both professional regulation and professional leadership. This is unusual among professional regulators and has given rise to some confusion in the sector about in whose interest the RCVS should primarily act, though the RCVS has worked hard to emphasise that its central statutory role is to represent the public interest.[147]

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[142] This includes the requirement for the RCVS to keep a register of qualified veterinary surgeons and registered veterinary nurses.
[143] The Royal Charter of 1844 established the RCVS which has been superseded most recently by the Supplemental Charter of 2015.
[144] There is also a Code of Professional Conduct for Veterinary Nurses setting out the mandatory professional responsibilities for vet nurses, with supporting Guidance providing more detailed information on the standards of practice expected. RCVS, Code of professional conduct for veterinary nurses.
[145] The regulation of veterinary medicines is discussed in part A, section 11 and appendix J.
[146] Of which the VMD is an executive agency.
[147] About the RCVS. We expand on this discussion of the RCVS's dual role in part A, section 14.

Regulation of veterinary professionals

2.50 As explained above, the RCVS holds a register of vets and registered vet nurses who have met certain criteria to be accepted as a member of the RCVS. Vets are not permitted to practise in the UK unless they are on the register. If the RCVS finds that an individual has committed serious professional misconduct, it can suspend or remove that individual from its register.[148]

2.51 The RCVS is empowered by its Charter to carry out activities that 'set, uphold and advance veterinary standards…in the interests of the health and welfare of animals and in the wider public interest'.[149] This is reflected in its Code and Guidance for vets and vet nurses, which make clear that animal welfare takes the highest priority.[150] The Code sets out that veterinary surgeons seek to ensure the health and welfare of animals committed to their care and to fulfil their professional responsibilities by maintaining five principles of practice. These principles are professional competence, honesty and integrity, independence and impartiality, client confidentiality and trust, and professional accountability. The Code and Guidance should be considered in the context of these principles.[151]

2.52 In March 2025, the RCVS consolidated into a single chapter those aspects of the Code and Guidance that address the responsibilities that vets owe to their clients. This chapter sets out provisions:

(a) requiring veterinary surgeons and nurses to provide certain information to consumers, including about the costs of services and medicines, and to communicate effectively and seek informed consent before treatments or procedures are carried out;[152]

(b) requiring veterinary surgeons and nurses to provide impartial advice, not allowing a financial interest to affect how they make recommendations;[153]

(c) requiring veterinary surgeons to make referrals, for example where an animal needs specialist care, responsibly and in the animal's best interests;[154] and

(d) advising that veterinary surgeons should practise contextualised care.[155]

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[148] Part A, section 14 includes further detail on the RCVS enforcement powers.
[149] Royal Charter and Bye-Laws.
[150] RCVS Code and RCVS supporting Guidance.
[151] RCVS Code, pp 18-19.
[152] RCVS Code, paragraphs 2.3 and 2.4. Supporting Guidance, Communication and consent. Also Code of Professional Conduct for Veterinary Nurses - Professionals.
[153] RCVS Code, paragraphs 2.1 and 2.2 and supporting Guidance, Protection of title, advertising and endorsement, paragraphs 23.39 and 23.41. Also Code of Professional Conduct for Veterinary Nurses - Professionals.
[154] RCVS Code, paragraph 1.2 and supporting Guidance, Referrals and second opinions, paragraph 1.6
[155] Supporting Guidance, Veterinary Care, paragraph 2.2(c).

2.53 The 2003 Competition Commission investigation into the supply of prescription-only veterinary medicines in the UK resulted in a number of obligations on vets.[156] Those currently in effect include:

(a) a requirement to display a sign offering written prescriptions and inform pet owners of the price of **POM-V** medicines sold at that FOP (implemented via the Guidance);[157] and

(b) a prohibition on vets price-discriminating for medicines or services that vet supplies between (i) customers who obtain from that vet prescriptions (whether oral or written) and (ii) customers who do not, while permitting vets to charge a separate fee for a prescription.[158]

Compliance monitoring and enforcement

2.54 The RCVS has limited powers to monitor whether veterinary professionals are complying with the Code and following the Guidance or to bring enforcement action in instances of non-compliance.

2.55 When they renew their professional registrations annually, veterinary surgeons and registered veterinary nurses have to declare any criminal convictions or adverse regulatory findings that mean their fitness to practise is impaired.[159]

2.56 The RCVS has told us that it operates a 'reactive, complaints-based system of investigation'[160] under which its enforcement activities are driven by the complaints made to it by members of the public and the profession. However, it has limited powers of investigation. It cannot, for example, enter and inspect premises.[161]

2.57 The VSA requires the RCVS to investigate cases in which a veterinary surgeon is liable to be removed or suspended from the register (and thus barred from practice). A veterinary surgeon may be barred from practice where: (a) they have been convicted of a criminal offence which is judged to render them unfit to practise veterinary surgery; (b) they are judged to be guilty of disgraceful conduct in any professional respect; or (c) their entry on the register is fraudulent.[162]

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[156] Also Appendix B of the CMA's Vets MI Remedies Working Paper.
[157] Supporting Guidance, paragraph 10.3.
[158] Article 3, 2005 VMO.
[159] What am I required to disclose to the RCVS? - Professionals
[160] RCVS Response to the Issues Statement, 30 July 2024 (**RCVS IS Response**), p 17. The RCVS also notes that it 'couple[s] this with a more proactive programme of education and culture change that promotes compliance.'
[161] The RCVS Legislative Reform Consultation Report 2021 recommended powers of entry for the RCVS and noted: 'The RCVS has no power of entry, meaning it does not have the right to enter a veterinary practice without consent. In most cases, this does not pose a problem in terms of investigating allegations of serious professional misconduct. However, where there are allegations that a veterinary surgeon has breached paragraph 4.3 of the RCVS Code of Professional Conduct, which states that 'veterinary surgeons must maintain minimum practice standards equivalent to the Core Standards of the RCVS PSS,' powers of entry would be useful. This is because, if a veterinary surgeon refuses entry, it is extremely difficult, if not impossible, for the RCVS to investigate allegations of this nature'. Recommendation 3.2, p 29, paragraph 65.
[162] VSA, sections 15 and 16.

2.58 The RCVS regards cases of disgraceful conduct in a professional respect as those in which the conduct of the vet or vet nurse amounts to 'serious professional misconduct'.[163] This is a relatively narrow category of conduct that indicates an individual has fallen far short of the standard to be expected of a reasonably competent veterinary surgeon or veterinary nurse, and could include:

> …. very poor professional performance where there are serious departures from the standards set out in the RCVS Codes of Professional Conduct for Veterinary Surgeons and Veterinary Nurses, fraud or dishonesty, criminal convictions or cautions, or physical or mental health problems affecting ability to work.[164]

2.59 The RCVS has produced guidance which says that, for it to take formal action for serious professional misconduct, such action must be in the public interest. That public interest is defined as having three elements, which are defined principally by reference to considerations other than consumer protection and the promotion of competition:

(a) protection and promotion of the health and welfare of animals and the protection of public health;

(b) promotion and maintenance of public confidence in the veterinary profession; and

(c) promotion and maintenance of proper professional standards and conduct in the veterinary profession.[165]

2.60 Accordingly, save in the most exceptional cases, the RCVS would appear unable or unlikely to take enforcement action against vets who breach the Code's provisions on consumer protection or fail to follow the related Guidance.[166] It has itself acknowledged that one '…. may not necessarily feel [that] the consumer interest is always at the fore [of the Code] because what we are looking at is professional responsibilities in [veterinary professionals] discharging their duties'.[167]

2.61 Where it can take action, the RCVS has a limited range of sanctions at its disposal: suspension or removal of professional registration (and the right to

[163] RCVS, Serious professional misconduct and negligence explained.
[164] *Kirk v Royal College of Veterinary Surgeons* [2004] UKPC 4 and also RCVS, Serious professional misconduct and negligence explained.
[165] RCVS, Disciplinary Committee Procedure Guidance, 26 August 2020.
[166] CMA, Regulatory Framework for Veterinary Professionals and Veterinary Services, Vets Market Investigation Working Paper, 6 February 2025, at paragraphs 2.57 to 2.64.
[167] CMA meeting with the RCVS on 16 October 2024, pp 6-7.

practise), issuing reprimands or warnings about future conduct or requesting undertakings.[168]

Lack of regulation of veterinary businesses

2.62 The RCVS's statutory remit extends only to individual veterinary practitioners. It does not apply to the businesses which sell veterinary services or to non-vet owners or managers of vet practices. This means that the regulator cannot, for example, compel a business to provide information, monitor or control its conduct, or sanction businesses or practice owners or managers who are not vets.

2.63 The RCVS has sought to partially fill this regulatory gap with the PSS.[169] This voluntary accreditation scheme aims to promote and maintain the highest standards of veterinary care.[170] Through the PSS the RCVS sought to extend the application of existing regulatory standards for veterinary professionals to vet practices.

2.64 As with the limited focus given to these issues under the regulation of vets and vet nurses, the PSS contains only limited requirements aimed at protecting consumers and promoting competition. Moreover, there is limited consumer awareness of the PSS.[171]

2.65 Approximately 69% of eligible practices have joined the PSS.[172] This means that almost a third of practices are not signed up to it. The RCVS Legislation Working Group has noted that the PSS '…is a voluntary scheme and as a result there is no mechanism to ensure standards across all practices through assessments'.[173]

2.66 The only sanction that can be applied to PSS member practices which breach the standards is removal from the scheme. This means that there are only limited mechanisms available to enforce compliance with the required standards.

Complaints and redress

2.67 The Code contains provisions that relate to consumer complaints about, and redress for, poor service. Vets are required to respond promptly, fully and courteously to clients' complaints and criticism.[174] They must also have a means of

[168] Disciplinary Committee Procedure Guidance - Professionals.
[169] CMA meeting with the RCVS on 16 October 2024, p 61.
[170] RCVS, Practice Standards Scheme.
[171] In our pet owners survey, only 7% of respondents were familiar with the scheme. Pet owners survey, Q122.
[172] RCVS, Practice Standards Scheme. We understand that all LVG-owned practices are part of it, or in the process of joining.
[173] RCVS, LWP update 1: assuring practice regulation.
[174] RCVS Code, paragraph 2.7.

recording and considering complaints[175] and the Guidance says that vets should provide clients with their complaints handling policy in writing.[176]

2.68 There is, however, no formal, agreed and consistent complaints process in the sector which sets out expectations of veterinary businesses and practices (for example, on outcomes and timescales). Neither is there any standardised set of principles or requirements by reference to which complaints processes should be designed to ensure that veterinary businesses and practices all operate consumer complaints procedures to a certain standard.

2.69 There is a third-party redress scheme in the veterinary sector, the VCMS, to which consumers may escalate unresolved complaints. It is a voluntary Alternative Dispute Resolution (**ADR**) scheme[177] funded by the RCVS.

2.70 Where both parties – the relevant veterinary business or veterinary professional and the consumer – agree to participate, the VCMS uses mediation to support them to resolve complaints without the barriers of a formal legal process. It seeks to repair the relationship between the parties[178] and to find a mutually acceptable resolution. However, the VCMS does not investigate or adjudicate complaints, and both parties must agree to the outcome.[179] Only 5% of respondents to our pet owners survey were aware of the VCMS, and a very low number had made use of it.[180]

[175] RCVS Code, paragraph 4.3 and RCVS PSS Small Animal Modules and Awards, Core Standards, point 3.1.3.
[176] Supporting Guidance, Practice Information, paragraph 9.2(c).
[177] VCMS is an Approved ADR Body accredited by Chartered Trading Standards Institute.
[178] VCMS Response to the Issues Statement (**VCMS IS Response**), p 1.
[179] Consumers seeking redress sometimes contact the RCVS. As set out in part A, section 14, the RCVS disciplinary process addresses complaints and concerns about serious professional misconduct, and as such the RCVS has no mechanism for addressing consumer complaints that fail to meet this high threshold and will instead pass them on to the VCMS.
[180] Pet owners survey, Q120 and Q121.

3. Factors which affect how competition works in the market for veterinary services

3.1 In this section, we set out our provisional views on overarching aspects of the vet services market which affect the way that vet services are bought and sold and therefore influence competition in this market.

3.2 We consider the impact of these factors and the effect they have on competition in specific areas in part A, sections 7 to 13.[181] In part A, section 16, we set out our provisional conclusion on whether there are features which contribute to an AEC, taking into account all of the evidence we have reviewed.[182]

3.3 As set out in the CMA guidance on market investigations:

> To develop robust findings on whether or not features in a market are harming competition, the CMA needs to understand how a market operates… part of its investigation is therefore the collection and analysis of information about the main characteristics of the market … The CMA's evaluation of characteristics … goes on throughout an investigation and continuously informs its assessment of what might be causing any adverse effects in the market.[183]

3.4 The CMA guidance on market investigations refers to characteristics that may be relevant to the CMA's investigation,[184] including:

(a) the nature and characteristics of the relevant products and services;

(b) the nature of the customer base and, among other things, the extent to which they are informed about the relevant products and services;

(c) the applicable legal and regulatory framework; and

(d) industry practices, such as the way in which products and services are sold and how prices are set and communicated to customers.

3.5 There are several aspects which we consider in this section:

(a) 'demand side' factors (how people purchase veterinary services);

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[181] Part A, section 7: Market outcomes; part A, section 8: Competition between FOPs; part A, section 9: Pet care plans; part A, section 10: Choice of treatments and referrals; part A, section 11: Veterinary medicines; part A, section 12: Outsourced out-of-hours (OOH) provision to FOPs; part A, section 13: Cremations
[182] Part A, section 16: Provisional conclusions.
[183] CC3 (Revised), Guidelines for market investigations: Their role, procedures, assessment and remedies, paragraph 97.
[184] Ibid, paragraph 102.

(b) the role of vets as a ‘gateway’ providing advice and access to treatments, tests and medication (most of which they also sell directly);

(c) the availability of increasingly sophisticated treatment options;

(d) the need for transparency and the provision of relevant information;

(e) the regulatory framework; and

(f) the market structure, vertical integration and ownership structures.

3.6 One purpose of this section is to explore whether there are particular factors which are intrinsic to the veterinary sector, at least to a degree, given the nature of the services sold and the circumstances in which they are bought. These are elements that we would expect to be present to some extent even when competition is working well because the market for vet services cannot exist without them. These might therefore be thought of as inherent features. We provisionally conclude that the demand-side factors, the gateway role of vets, the availability of sophisticated treatment options and the need for some form of regulation are inherent, at least to some degree. There may also be some local areas where the level of demand cannot support multiple FOPs, referral centres or OOH provision.

3.7 The fact that a feature is inherent does not mean that measures cannot be taken to eliminate or reduce any adverse impact on competition and consumers that the feature gives rise to. For example, while consumers find it difficult to judge the quality of clinical services, a regulator or inspection body may to some degree (depending on feasibility) be able to provide measures of quality and consumers may be able to respond to these measures.

3.8 There might be some factors which currently affect competition in vet services but are not inherent at all and would not be present in a well-functioning market (**WFM**) for vet services. These might include the poor provision of information, or the exclusion of veterinary businesses from the regulatory framework.

3.9 In part A, section 5, we set out the benchmark of a WFM and consider what this would look like in vet services.[185]

The demand-side: how consumers purchase vet services

3.10 As set out in part A, section 2, there are several services which pet owners purchase from vets, and many decision points along the ‘consumer journey'.[186]

[185] Part A, section 5: A well-functioning market for veterinary services.
[186] Part A, section 2: Context for the veterinary services market.

These include treatment and diagnostic tests; medicines; cremation services; and advice and guidance about treatments, medicines and services.

3.11 How pet owners make decisions about these various purchases depends on the circumstances of the choice, including the emotional nature of the decision and the time available to consider the options. For example, people usually have time to consider their choice of vet practice and are not under emotional strain when making this decision.[187] The circumstances are likely to be very different for pet owners when choosing between a range of treatment and diagnostic options, some of which may be complex and high cost, and which may be needed to address a serious health concern in a pet.

3.12 In our view, there are four overarching factors which affect pet owners' decision-making when choosing a FOP or treatment pathway:

(a) people want to do the best for their pets, on whose behalf they must make decisions;

(b) pet owners cannot directly judge clinical quality; they need to rely on veterinary experts and to trust in their vets;

(c) some decisions about vet services will be made in urgent situations or at times when the owner is very concerned about a pet's health; and

(d) there is uncertainty involved in vet care: it is difficult for pet owners to know in advance which treatments their pets will need and it can be difficult for vets to predict outcomes of clinical procedures; there is also a degree of (potentially complex) judgement involved when a number of options may each be clinically appropriate.

We consider each of these demand-side factors in turn.

Pet owners have to make decisions on behalf of their pets and many pet owners humanise their pets

3.13 The vast majority of pet owners want to do their best for their pet when deciding on its behalf which treatment to purchase. Most respondents to our pet owners survey (78%) reported considering their pet's healthcare at least as important as the healthcare of a family member.[188] Most respondents said that pet care costs should either always (42%) or often (34%) be prioritised over other important household expenses.[189]

[187] Though we note that 8% of respondents to our pet owners survey said that they only chose a vet when their pet needed urgent or emergency treatment. Pet owners survey, Q12.
[188] Pet owners survey, Q134.
[189] Pet owners survey, Q134A.

3.14 Pet owners who tend to think of or treat their pets as close friends or family members have been described as ‘humanising’ their pets. We have heard from various stakeholders that the humanisation of pets by pet owners is a driver of pet healthcare expectation and spending.[190]

3.15 We have evidence that veterinary businesses may see trends in pet humanisation as an opportunity to sell services including non-veterinary pet products. For example, in an LVG [✂] document, humanisation was described as an opportunity in relation to secondary revenue opportunities, supplements, and nutrition.[191] Another LVG [✂] management presentation identified humanisation of pets as a driver of number of vet visits.[192]

3.16 We consider that humanisation does not mean that price does not matter or that ’only the best will do’. Just as when purchasing goods and services for family members, people consider a balance of cost and value and may not always wish to purchase the highest quality or most expensive options. However, it is important that pet owners are given appropriate and timely information, including cost, about the treatment options available to them . Pet owners need to feel comfortable in choosing a more basic option out of a range of options that have been discussed. Some vets have told us that pet owners feel guilty for choosing a more pragmatic option, even if the clinical outcome of a more sophisticated or expensive option would have been similar.[193]

Pet owners cannot easily judge quality; they need to rely on veterinary experts and to trust in their vets

3.17 Most pet owners are not, and cannot be expected to be, experts in the clinical care of animals and therefore it is difficult for them to assess the quality of care, even in retrospect. Services where it is difficult for purchasers to assess quality are known as ‘credence goods’. These can be found in other markets, such as human healthcare services.[194]

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[190] For example, internal customer research from an LVG [✂] found that less than 6% of clients felt they would try to reduce spend on vet care in an economic recession and only about 7% said they would not reduce spend on themselves or their family to pay for pet healthcare. LVG response to RFI3, Q22 [✂].
[191] LVG response to RFI3, Q15 [✂].
[192] LVG response to RFI4, Q3 [✂].
[193] Summary of consumer roundtable discussions, paragraph 11.
[194] A market for credence goods is one in which the average consumer is unable to identify the quality of the good or service which best fits their needs and thus relies on an expert who both diagnoses and sells the goods or service to them. Examples of markets for credence goods include healthcare, repair, legal services and financial advice services. Academic evidence indicates that information asymmetries between sellers and buyers and the proximity of sellers to financial rewards creates incentives for three types of inefficiencies: overtreatment, undertreatment and overcharging. These problems are exacerbated by the fact that consumers are often unable to assess the quality of the product they have received even after trade has concluded (Kerschbamer and Sutter 2017, Balafoutas and Kerschbamer 2020).
Kerschbamer, R., & Sutter, M. (2017). The economics of credence goods – A survey of recent lab and field Experiments. CESifo Economic Studies 63: 1-23.
Balafoutas, L., & Kerschbamer, R. (2020). Credence goods in the literature: What the past fifteen years have taught us about fraud, incentives, and the role of institutions. Journal of Behavioral and Experimental Finance, 26, 100285.

3.18 In our view, clinical quality in vet services could encompass both inputs and outcomes:

(a) Inputs to quality could include different types of equipment; the level of cleanliness of the surgery; the experience, qualifications and skills of the vets and nurses; the staff to pet ratio, consultation length and the processes involved in clinical procedures.

(b) Better outcomes from a procedure could include fewer complications from surgery or quicker recovery times.

It is clear that in general pet owners are unlikely to observe many of these elements directly, and unlikely to be able to judge all aspects of quality sufficiently, even if they could find out about the 'back of house' procedures in a vet practice. For the factors in (b), vets may be uncertain about prospective outcomes in the case of any particular pet. Less experienced vets may not always be confident in discussing average outcomes, especially when discussing referrals for procedures that other vets or practices will undertake.[195]

3.19 Understanding quality – both in terms of clinical quality and the elements which make up good customer service – is particularly relevant to two areas of decision making: choosing a FOP and choosing different treatment pathways (including diagnostic tests, medicines and referral options). We consider these in turn.

3.20 Although the clinical quality factors listed above are relevant for the choice of FOP, pet owners tend to base their decisions about which vet practice to use on measures they can observe. This would typically be customer service aspects such as convenience of location, availability of appointments, facilities (to the extent these are known about), condition of the premises, and the attitude of the staff. Many pet owners rely on recommendations from others such as family and friends,[196] though recommendations themselves would be expected to be based on factors that it is easy for those making the recommendation to observe.

3.21 Pet owners' lack of clinical expertise means it is difficult for them to decide between different treatment pathways, and to judge the value of a more interventionist (and possibly expensive) treatment over a simpler one. Pet owners therefore usually need to rely on veterinary professionals as trained experts to advise them what services or treatments their pet might need, particularly for choices regarding non-routine treatments which are more complex and which pet owners are less likely to have encountered in the past.

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[195] RCVS Knowledge informed us that outcomes from certain procedures are recorded by some vet practices, but that these are not widely shared with RCVS Knowledge to facilitate wider industry awareness.
[196] For instance, 44% of respondents to our pet owners survey indicated that recommendations from family or friends were a factor that they considered when choosing their current vet practice. 19% said they considered online reviews. Pet owners survey, Q13

3.22 Pet owners have a high level of trust in their vets, which is essential for them to feel comfortable about the advice and treatments supplied. Respondents to our pet owners survey reported that their vet focuses on providing the highest standard of care for their pet's health (88% agreed with this).[197] However, pet owners may have less trust in their commercial dealings with vets and veterinary businesses, particularly larger groups, as distinct from the professionals that treat their animals. For example, trust in a vet practice to offer the fairest prices for pet treatment was 55% for independent vet practices and lower for LVGs at 33%.[198]

3.23 Given the lack of clinical expertise and the need to trust one's vet, pet owners may not choose to conduct their own research on treatment alternatives and be likely to comply with treatment recommendations from their vet – even when they doubt the necessity of the treatment recommended. In their most recent visit to a vet, 61% of pet owners noted that they trusted the vet to make the right decision for their pet, giving this as a reason for not doing their own research on the treatments offered and/or looking for alternatives which the vet did not suggest.[199] Consistent with this, a 2023 survey of pet owners for Which? found that many pet owners trusted their vet's recommendations even when they doubted the necessity of treatment.[200]

There may be uncertainty around the services that a pet owner may need to purchase

3.24 There will frequently be uncertainty involved in vet care. The majority of services that pet owners buy from vets (such as vaccinations, neutering and other routine or periodic treatments) will be predictable. However, pet owners will typically not know whether, when or how their pets may become unwell and need other treatments. Even when they consult their vet when their pet is unwell, the vet will need to exercise judgement in the animal's diagnosis and treatment and there will often be a degree of uncertainty about the outcome(s) and future treatment pathways.

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

3.25 Pet owners are likely to experience different emotions when making different choices. For situations which are urgent, or which have high cost or large animal welfare implications, owners may be making decisions in a state of stress and

[197] Pet owners survey, Q36r1 'My vet focuses on the highest standard of care for my pet's health'.
[198] Pet owners survey, Q36,r2, 'I trust my vet practice to offer the fairest prices for vet treatment'. The type of practice the pet owner used was matched to the information provided about their FOP rather than according to their beliefs about which type of practice they are with.
[199] Pet owners survey, Q53, 'Did you do any of your own research on the treatments offered and/or look for alternatives which the vet did not suggest?'
[200] Of 549 pet owners who doubted the necessity of treatment, over half proceeded with treatment anyway. Which? consumer harm in veterinary services, 22/12/23, p. 21.

anxiety. For other situations, particularly where there has been a decline in pet health or the (prospective or actual) death of a pet, customers may be making decisions while experiencing sadness, anger, potential loss or anticipated guilt, as well as uncertainty.

3.26 There is academic evidence (primarily from laboratory experiments) that negative emotions such as stress, anger, guilt and sadness can hinder people's ability to make good decisions.[201] We have seen evidence to suggest that some veterinary businesses acknowledge and make efforts to support vets to handle pet owners' emotions during visits. For example, in an LVG's [✂] consultation skills presentation, emotion is highlighted as a cause of decisional conflict between pet owner and vet;[202] and another LVG, VetPartners, submitted that given the distress that pet owners may be experiencing, 'all information would need to be considered and subsequently delivered by the vet in an empathetic and caring way, without putting undue pressure on the pet owner to make a decision for their pet out of guilt or shame'.[203]

Vets act as a 'gateway' providing advice and access to treatments, tests and medication (most of which they also sell directly)

3.27 Vets advise pet owners on the best treatment and diagnostic options and sell them services and medicines or give them advice about where they can be obtained. In that way, the first opinion vet plays a dual clinical and commercial role, as well as

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[201] Morgrado et al. (2015) conducted a review of 16 published experimental studies which looked at the effects of stress on decision making. Morgado, P., Sousa, N., & Cerqueira, J. J. (2015). The impact of stress in decision making in the context of uncertainty. Journal of Neuroscience Research, 93(6), 839-847.
Starcke & Brand (2012) presented a review relevant studies published between 1985 – 2011 which supports the idea that stress affects decision making. Starcke, K., & Brand, M. (2012). Decision making under stress: a selective review. Neuroscience & Biobehavioral Reviews, 36(4), 1228-1248.
Pereira, B., & Rick, S. (2017). Sadness reduces decisiveness. Advances in Consumer Research, 45, 812-814.
Lerner, J. S., Li, Y., & Weber, E. U. (2013). The financial costs of sadness. Psychological science, 24(1), 72-79.
Lerner, J. S., & Keltner, D. (2001). Fear, anger, and risk. Journal of personality and social psychology, 81(1),
Kahneman, D., & Tversky, A. (1979). Prospect theory: An analysis of decision under risk. In Econometrica, 47, 363-391.
Attanasi, G., Rimbaud, C., & Villeval, M. C. (2019). Embezzlement and guilt aversion. Journal of Economic Behavior & Organization, 167, 409-429.
Charness, G., & Dufwenberg, M. (2006). Promises and partnership. Econometrica, 74(6), 1579-1601.
Chang, L. J., Smith, A., Dufwenberg, M., & Sanfey, A. G. (2011). Triangulating the neural, psychological, and economic bases of guilt aversion. Neuron, 70(3), 560-572.
Dufwenberg, M., & Gneezy, U. (2000). Measuring beliefs in an experimental lost wallet game. Games and economic Behavior, 30(2), 163-182.
Ketelaar, T., & Tung Au, W. (2003). The effects of feelings of guilt on the behaviour of uncooperative individuals in repeated social bargaining games: An affect-as-information interpretation of the role of emotion in social interaction. Cognition and emotion, 17(3), 429-453.
Brockman et al (2008) in their study identified that guilt might be a strong moderating factor in pet owner decisions on veterinary spending. Some pet owners reported spending more on their pets in order to avoid feeling guilty otherwise. Brockman, B. K., Taylor, V. A., & Brockman, C. M. (2008). The price of unconditional love: Consumer decision making for high-dollar veterinary care. Journal of Business Research, 61(5), 397-405.
[202] The presentation highlights how emotions can be handled by discussing alternative options using risk communication, evaluating benefits versus risk and encouraging clients to express preferences at the second step in a three-step process of shared decision making. LVG response to RFI3, Q22 [✂].
[203] VetPartners IS Response – paragraph 3.4

providing a ‘gateway’ to those services and medicines that can be obtained elsewhere.

3.28 The vet’s advice is influential not only over what treatments people buy – as would be expected given the vet’s professional expertise – but also over where they buy them when there is a choice (as is the case for most medicines, referral services and cremations). For example, pet owners can only access prescription medicines for their pet after a vet has made a diagnosis and prescribed treatment and medicine. Vets are a clinical gateway to accessing medicines from other suppliers but are also a commercial seller of medicines. In this role, the vets have influence over the information available to the pet owner at a key decision-making point including the information the pet owner receives about the vet practice’s commercial offering and whether there are alternative sellers.

Sophisticated treatments are now available

3.29 While most visits to the vet are for routine treatments, developments in medicine and clinical practice have made an increasingly advanced range of clinical options available for pets, meaning that some conditions can now be diagnosed and treated when, in the past, the only option would have been to euthanise the animal. There is also an extensive range of diagnostic tests and imaging techniques (such as MRI scans) which are now available for pets. Some of these advanced treatments and tests are highly complex (both in terms of the clinical expertise required and the sometimes very expensive advanced equipment used) and, accordingly, can incur significant costs.

Transparency and the provision of information

3.30 Given the factors outlined above, especially the potential for some veterinary services to be very costly, it is vital that pet owners are given the information and support they need to choose the treatment pathways and supplier (whether FOP, referral centre, crematorium or medicines supplier) which best meets their circumstances and the needs of their pet. The level of information provision is therefore an important factor in whether competition is working well in this market.

3.31 Competition between FOPs is likely to be stronger when consumers choose between them on the basis of adequate information on pricing, range of services offered, ownership and – where possible – quality of clinical care and service (for example, the experience of vets at the FOP). We discuss in part A, section 8 the extent to which this information is currently being provided.[204]

[204] Part A, section 8: Competition between FOPs.

3.32 While our provisional view is that it is difficult for pet owners to assess certain aspects of quality, there are many elements that are relevant for decision making that pet owners could find useful, with appropriate guidance from their vet, for example, the potential outcomes and clinical (as well as financial) differences between various treatment pathways.

3.33 We have set out our views on the gateway position of vets, in which vets play a dual role of providing clinical advice and (in most cases) selling the services which follow on from that advice. Given this role, many pet owners will only be aware of alternative options if they are informed of them by their vet. The owners of the businesses (who may or may not be vets themselves) may have a financial incentive to keep the sale in-house.

3.34 The relationship between a veterinary business and its clients is not based only on price. Vet services are not a commodity. Trust and confidence are key elements of the relationship and pet owners may understandably be less focussed on price than on the strength of the relationship. There is not a tension between pet owners having appropriate information about relative costs and service quality and there being a good relationship with the vet. Transparency is not an alternative to a strong vet-pet owner relationship but a desirable component of the relationship. Trust is strengthened if pet owners are properly informed about the options and alternatives available.

3.35 In our provisional view, there will be greater competition between different suppliers of certain services – such as medicines, referral centres and crematoria – if pet owners have sufficient information about alternative suppliers, including the range of services they offer and their prices. As we discuss in following sections, the evidence we have seen suggests that this is not always the case. For example, 38% of respondents to our pet owners survey were not aware that they could obtain a written prescription to purchase medicines outside their FOP.[205] Further evidence on the provision of information to consumers is discussed in the relevant sections on choice of treatment and referrals, veterinary medicines and cremations.

Regulatory framework

3.36 In a market where expert professionals provide commercial services to consumers who cannot easily judge quality, often in emotional or pressured circumstances, there is a need for an effective regulatory framework to maintain minimum standards, protect consumers and help them make informed choices. This is especially the case when the financial outcomes for the vet (or their employer) are affected by the pet owner's decisions, such as on which treatment to purchase,

[205] Pet owners survey, Q91.

whether to pursue a referral (and which referral centre to use) and where to purchase medicines. What is needed is a regulatory system which, as well as protecting the welfare of animals and public health, governs the conduct of veterinary professionals, and (if necessary) the businesses in which they work, and:

(a) ensures minimum standards of quality and competence amongst veterinary professionals;

(b) ensures that consumers have information that, where possible, helps them make informed choices about the services they buy and from whom, and protects them where their ability to make choices is inherently limited;

(c) has effective mechanisms for monitoring and enforcing vets' and vet nurses' compliance with their regulatory obligations; and

(d) makes provision for effective complaint handling and consumer redress.

3.37 In part A, section 14, we set out our provisional view that the existing regulatory framework does not contain the appropriate substantive requirements and the monitoring, enforcement and redress mechanisms to support the competitive processes and outcomes we would expect in a well-functioning market for veterinary services.[206]

Market structure, vertical integration and ownership structures

3.38 Market structure, such as the number of competitors in a local market, is an important factor which affects how competition works in a market. As noted in part A, section 2, there has been extensive consolidation in the supply of veterinary services.[207] In 2013, LVGs accounted for only 10% of FOPs; this share is now around 60% and has grown mostly through acquisition of independent practices.

3.39 To varying degrees, many of these LVGs also own businesses supplying related services such as medicines, cremations, diagnostic lab services and referral centres. The ownership and size of veterinary businesses is relevant for our assessment of competition because it can affect, among other things, the nature of the decision makers (whether they are regulated vets or not), the relationship between the decision makers and the vets who are customer-facing and treat animals; the business strategies (in terms of pricing, quality and procedures) and costs.

[206] Part A, section 14: Regulatory framework for veterinary services.
[207] Part A, section 2: Context for the veterinary services market.

3.40 We consider local concentration and the impact of different ownership structures in part A, section 6.[208]

[208] Part A, section 6: Consolidation, concentration and commercialisation.

4. Market definition

4.1 As set out in the CMA's market investigation guidelines, defining the market helps us to focus on the sources of any market power and provides a framework for the assessment of the effects on competition of features of a market.[209]

4.2 The guidelines state that market definition is a useful tool, but not an end in itself, and that identifying the relevant market involves an element of judgement. The boundaries of the market do not determine the outcome of our competitive assessment of a market in any mechanistic way, nor the nature and strength of a particular constraint. Our competitive assessment (discussed in part A, sections 8 to 16 of this report) takes into account any relevant constraints from outside the market, segmentation within it, or other ways in which some constraints are more important than others.[210] This means that even where a constraint is deemed outside the boundaries of the market, it may still impose a significant constraint on at least part of the defined market.

4.3 The appropriate market definition will usually be determined by looking at the degree of demand-side substitution and, where relevant, supply-side factors. The latter can include supply-side substitution and the similarity of the competitor set and the conditions of competition.[211]

4.4 In the following paragraphs, we first summarise our consideration of product market definition for the retail supply of FOP services and then the supply of outsourced OOH provision to FOPs, before turning to geographic market definition for both types of services.

Product market definition

4.5 The product market refers to the group of products considered to be substitutes for the relevant product(s). Our starting point is the set of products and services identified in the market investigation terms of reference: the supply of veterinary services for household pets, including the supply of prescribed veterinary medicines for such pets.[212]

4.6 The terms of reference defined:

(a) a 'household pet' as an animal such as a dog or a cat, but not a farm animal, that is kept for companionship or protection and habitually resides in the owner's dwelling.

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[209] CC3 (Revised), paragraph 132.
[210] CC3 (Revised), paragraph 133.
[211] CC3 (Revised), paragraph 134 and 137.
[212] Terms of reference.

(b) 'veterinary services' as including but not being limited to the provision of:

(i) first opinion practice services;

(ii) out-of-hours first opinion services;

(iii) referral centre services;

(iv) animal hospital services;

(v) pet cremation services;

(vi) diagnostic laboratory services; and

(vii) pet care plans.

(c) 'prescribed veterinary medicines' as prescription-only medicines prescribed by a veterinary surgeon and prescription-only medicines prescribed by a veterinary surgeon, pharmacist, or suitably qualified person.

4.7 In considering the substitutability of goods or services set out in the terms of reference, we may conclude that the relevant product market goes wider or narrower than those goods or services.[213]

Retail supply of veterinary services for household pets by FOPs

4.8 FOPs offer a wide portfolio of veterinary services, including consultations, diagnostic tests and scans, a range of treatments, medicines, OOH services, and arranging cremations.[214] As part of these services, vets provide information and advice to pet owners related to the clinical care of their pet including the diagnostics, treatments and medicines to use. Most veterinary services for household pets are directly supplied by FOPs to pet owners.

4.9 FOPs are a 'one-stop-shop', which pet owners go to for most of their veterinary service needs. For at least some veterinary services, pet owners will not know whether, or to what extent, their pet will need particular services during its lifetime. Pet owners typically choose a single FOP to be the primary supplier of all veterinary services that they will require, rather than selecting suppliers of individual veterinary services as and when they need them.[215] This means that, on the demand-side, substitutability is at the level of the FOP, and points to the

[213] CC3 (Revised), paragraph 131.
[214] We note that Limited Service Providers (**LSPs**) are veterinary practices that offer no more than one service to their clients and include, but are not limited to, vaccination clinics and neutering clinics.
[215] For their most recent visit, the vast majority of pet owners (96%) visited their usual vet (3% visited a different practice and 1% could not remember). Pet owners survey, Q42A, p41, Figure 39. RCVS's Find a Vet website does not state which services FOPs provide (but it does state the types of animals the FOP treats). The importance of the pet and pet owners' relationship with the FOP vet is also likely to limit the extent to which pet owners source individual services from different providers.

veterinary services FOPs provide for household pets being in the same product market.

4.10 We note that some FOPs are 'mixed practices' which supply services for both household pets and other animals (usually farm animals or horses). Only the elements of these businesses which serve household pets are part of the retail supply of veterinary services for household pets by FOPs.

4.11 Veterinary practices focusing solely on animals other than household pets are, in our provisional assessment, in a different product market. These veterinary practices have chosen to specialise in different types of animal which are likely to require different expertise and business infrastructure. These differences mean that such veterinary practices are unlikely to switch to supplying services for household pets in response to a small change in their relative prices.

4.12 Where charities provide retail FOP services, we consider them to be part of the retail supply of veterinary services for household pets by FOPs. We note, however, that these charities serve specific consumer groups and are therefore not an option for most pet owners. Given this, there is likely to be a limited competitive constraint from charities on non-charitable FOPs.

Separate product markets

4.13 Some elements of the services for household pets are offered by suppliers other than FOPs. In some cases, such as medicines and some services provided by referral centres, both FOPs and other suppliers provide the services. In others, such as some more advanced referral services, services are primarily provided by other suppliers.

4.14 The FOP is the only, main or usual gateway to the provision of those other services and may provide advice which assists a pet owner to choose the relevant supplier. FOPs typically provide this gateway or advisory role for medicines, OOH services, referral services and cremation services.

4.15 We have therefore considered whether and to what extent, notwithstanding the gateway or advisory role of vets, the following are included in the retail supply of veterinary services for household pets by FOPs (or should alternatively be treated as being in separate product markets):

(a) Veterinary medicines from providers other than FOPs;

(b) Referral centres; and

(c) Crematoria.

Veterinary medicines

4.16 Medicines are a key part of the service FOPs offer and pet owners would be unlikely to choose a FOP that did not provide medicines. Most veterinary medicines can only be prescribed by a vet.[216,217] After a consultation and clinical diagnosis, a vet in a FOP typically recommends then prescribes a specific veterinary medicine. The pet owner can purchase the prescribed medication from the FOP or (if the medicine does not have to be administered immediately) ask for a written prescription to obtain the medicine from a third-party retailer (often an online pharmacy).[218]

4.17 Accordingly, on the demand side, there is a degree of substitutability between obtaining a medicine from a FOP or from a third-party retailer. This may be particularly the case for on-going medication involving medicines that are easy for pet owners to administer themselves.

4.18 That said, clinical considerations require some medicines to be administered by a vet. Some medicines, such as injectables, are more easily given by a vet (although they may not need to be). Therefore, not all prescribed medicines can conveniently be supplied by both FOPs and third-party retailers. Even where medicines can theoretically be supplied by different types of providers, FOPs can typically supply medicines more quickly and more conveniently and can offer in person advice on how to administer them. Some medicines are offered as part of a package, for example pet care plans which include flea and worming treatments. These benefits of using a FOP may limit the extent to which some pet owners would consider switching between FOPs and third-party medicine retailers in response to a small change in the relative price of medicines.

4.19 Part A, section 11 sets out further evidence on why the constraint from third-party retailers on FOPs' supply of medicines is currently limited. Evidence in that section and part A: section 8 indicates that pet owners may generally be less price sensitive to medicine prices than other FOP services at present (the main exception was pet owners considering vaccination and flea and worming medicine prices to a greater or similar extent to the price of other FOP services), though this may in part be because it is difficult to find out the price of medicines in FOPs.

4.20 Additionally, as medicines are only one part of the broad portfolio of products and services provided by FOPs, any constraint from third-party medicines retailers will

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[216] We use 'prescribe' or 'prescription' in this section to mean the clinical choice of a veterinary medicine. This choice may be communicated to a pet owner verbally (where a prescribed veterinary medicine is sold and dispensed by a FOP) or in writing (where a written prescription is produced by a vet), which we refer to as a 'written prescription' for clarity.
[217] Purchases of these products [✂] represented the vast majority [✂] of all purchases of all classifications of veterinary medicines for household pets purchased by FOPs and third-party retailers in 2024. Source: CMA analysis of [✂] data.
[218] 28% of pet owners usually purchase repeat prescription medication from a third-party retailer or pharmacy (Pet owners survey, Q96, p75, Figure 93) and 8% of pet owners made their most recent purchase of one-off medication at a third-party retailer or pharmacy (Pet owners survey, Q95, p76, Figure 94).

likely be limited to FOPs' medicines, rather than constraining the price of FOPs' overall offerings.

4.21 Given the limitations of the constraint from third-party medicine retailers, our provisional view is that the supply of medicines by third-party retailers is not in the same market as the retail supply of veterinary services for household pets (including the supply of medicines) by FOPs.

4.22 The fact that we have not included the third-party supply of medicines as part of the retail vet services market does not mean that third-party retailers are incapable of offering a material constraint on medicine sales by FOPs. We consider this when we undertake our competitive assessment (in part A, section 11). This approach reflects the point we note above, that the boundaries of the market neither determine how we assess the constraint from third-party retailers nor determine the outcome of that assessment in any mechanistic way.

4.23 What is key is the assessment of any relevant constraints that operate in a market, and our provisional view is that the outcome of our assessment of the competitive conditions for the supply of veterinary medicines would not differ had we instead defined a separate market for all veterinary medicines. We assess the constraint from third-party retailers in the same way whether they are considered to be within or outside the relevant market.

4.24 Considering the strength of the constraint from third-party retailers is an important part of our competitive assessment. This reflects the need to take a holistic approach and to consider whether we would expect constraints from both within and outside a relevant market to be stronger if the market was functioning well. This is important for identifying any AECs and the design of remedies to address any AECs identified.

Referral centres

4.25 While some FOPs provide certain types of advanced care, household pets requiring more sophisticated diagnostics and treatments can be referred by a vet at a FOP to a vet at another practice (which may be a dedicated referral centre).

4.26 The services provided by referral centres are differentiated from those provided in FOPs and some referral centres are centres of excellence in particular specialisms. Our provisional view is that referral centres are a related service to those provided by FOPs, but not in the same market as the retail supply of veterinary services for household pets by those practices.

Crematoria

4.27 Two LVGs own crematoria[219] and the remainder are independently owned. Pet owners can purchase cremations directly from crematoria but they usually purchase them at FOPs which typically organise the cremation for the pet owner. In part A, section 13 we provide evidence which indicates that the constraint from crematoria on FOPs in the retailing of cremations is limited. This constraint is further limited by the constraint from crematoria being restricted to only one category of the broad portfolio of products and services provided by FOPs.

4.28 Hence our provisional assessment is that cremations purchased directly at crematoria are not in the same product market as cremation services purchased at FOPs.

Provisional conclusion on product market definition for the retail supply of veterinary services for household pets by FOPs

4.29 We provisionally conclude that the relevant product market for the purpose of our competitive assessment is the retail supply of veterinary services for household pets by FOPs.[220] Nevertheless, reflecting that there is no 'bright line' between in-market and out-of-market providers, we consider the competitive constraints from non-FOP providers of particular products or services (such as medicines or cremations) in that assessment. The assessment considers the extent to which, within the portfolio of products and services provided by FOPs, there are distinct competitive conditions and constraints in relation to particular aspects of the portfolio.

Supply of outsourced OOH provision to FOPs

4.30 Vets are required to take steps to provide 24-hour emergency cover. Some FOPs provide an OOH service themselves, but most contract with a dedicated OOH provider to provide that service. The outsourced OOH provider then sells OOH care directly to pet owners who are clients of the FOP.

4.31 We have considered whether there is a separate market for the supply of outsourced OOH services to FOPs. One way to do that is to assess whether FOPs would switch to self-supplying OOH services if there was a small change in the relative price of contracting with specialist OOH providers.

4.32 Our current view is that, as there is a high cost to providing OOH services and the unit costs are lower if spread across a larger number of potential clients, many FOPs would be unlikely to switch to providing the services themselves in the event

[219] IVC and VetPartners.
[220] For the rest of this report, unless stated otherwise, the supply of veterinary services by FOPs refers to the retail supply of veterinary services for household pets by FOPs (including those services FOPs provide OOH).

of such a price change. We therefore provisionally conclude that there is a separate product market for the supply of outsourced OOH provision to FOPs.

Geographic market definition

4.33 The geographic market is the area covering a set of suppliers which compete closely because enough customers consider them to be substitutes.[221]

4.34 Given pet owners' preferences for FOPs and OOH services that are near them, our provisional view is that there are local geographic markets for FOPs and outsourced OOH provision to FOPs. The size and boundaries of the geographic markets for FOPs and outsourced OOH provision to FOPs may differ in any particular area, reflecting the differing competitive conditions of the two services (more information on how we assessed local geographic markets is set out in Appendix A: Local concentration analysis and barriers to entry and expansion).

4.35 We may treat a group of markets together for the purposes of assessing competitive effects. This can be the case where a feature manifests itself in a similar way across several different markets and we are able to reach a view about the effects of the feature on competition across the group of markets as a whole.[222]

4.36 In the case of FOPs and outsourced OOH provision to FOPs, the parameters of competition and types of suppliers are similar across local geographic markets. The concerns that we have about the retail supply of veterinary services for household pets by FOPs and the supply of outsourced OOH provision to FOPs are also similar across local geographic markets. The way pet owners interact with veterinary services, the information they have about those services and the effects of regulation do not differ from place to place.

4.37 On that basis, our current view is that it is appropriate generally to consider the relevant local geographic markets together (that is nationally) in our competitive assessment (though, where applicable, we have considered differences within geographic areas, for example, when we consider local concentration).

Provisional conclusion on geographic market definition

4.38 We provisionally conclude that the relevant geographic market for the retail supply of veterinary services for household pets by FOPs, and the supply of outsourced OOH provision to FOPs, is local. However, for the purpose of the competitive

[221] CC3 (Revised), paragraph 145.
[222] CC3 (Revised), paragraph 152.

assessment, we have generally considered competition across the local markets (that is on a UK-wide basis) for each.

5. A well-functioning market for vet services

Introduction

5.1 In this section we set out the concept of a well-functioning market (**WFM**) and consider how it would apply in this case. We do so to help us to assess how competition works – and whether it is working well – in the supply of vet services for household pets. We take particular account of the specific features of the veterinary services market that, in our provisional assessment, are inherent to it (at least to some degree). We first outline the concept of a WFM in general. We then consider how this applies to vets, taking particular account of the nature of this market.

The concept of a well-functioning market

5.2 As stated in part A, section 1 we are required to decide whether any feature, or combination of features, in the relevant vet services market prevents, restricts or distorts competition. If we decide that there are such features or combination of features, there is an adverse effect on competition (**AEC**).[223]

5.3 The Act does not specify a theoretical benchmark against which to measure an AEC. For this purpose, we use the idea of a 'well-functioning market'. This is an analytical tool used as a framework to assess potential AECs. In carrying out the AEC assessment, we focus on whether certain features of the market as it currently operates in some way prevent the effective interaction of the demand and supply sides of the market, compared to how the market may look without these features and/or their effects.

5.4 A WFM is not an idealised, perfectly competitive market. Rather, it is a market which displays beneficial aspects of competition and, generally, does not have the features that we think may be leading to an AEC.[224] It may include some inherent features that will necessarily be part of a WFM in the sector in question, as we discuss below.

5.5 A WFM could be thought of as one in which firms compete to offer better value, more innovative services or otherwise better meet customer preferences and needs in order to win business away from firms that do not. This happens where customers can observe the competing offers and make informed choices between suppliers (and services). In that market, the supply side (the firms providing products and services) and the demand side (the customers) interact effectively. Vigorous competition between firms also fosters economic growth, as firms

[223] Section 134(2) of the Act.
[224] CMA Guidance CC3 paragraphs 319-320.

respond to competitive pressure by striving for efficiency and directing their resources to customers' priorities.[225]

5.6 In a WFM, in general, we would expect to see, for example:

(a) customers being able to make informed and effective decisions between a range of alternative providers and services, and being able to switch between them;

(b) firms facing low barriers to entry, expansion and exit and being rewarded for operating efficiently, innovating and competing to supply the products that customers want;

(c) profits earned by firms in the market reflecting a 'reasonable' or 'normal'[226] rate of return; and

(d) firms adapting the parameters of competition in response to changing customer preferences, the conduct of rivals and wider market developments (for example, some firms adapt their offering to fulfil customer demand for certain types of services, rivals react to each other's prices and quality changes, and prices would broadly track market wide costs).

5.7 We take into account specific aspects of the market in each case. For example, there may be features of a market that are inherent to it to some extent. These are features that would likely exist in a WFM, even if some of them have the potential to adversely affect competition, and the market cannot realistically be thought of without them.

5.8 In such cases, we take these inherent features into account in assessing what a WFM would look like, and we may focus more on what the market may look like without the *effect* of the features rather than without the features themselves. This point is particularly relevant in this case, as we explain in the following paragraphs.

What would a WFM in veterinary services look like?

5.9 We proposed in part A, section 4 to define a single market for the services FOPs provide, including their sale of veterinary medicines. We described in part A, section 3 our assessment of various factors likely to affect competition for the services in that market. Given that assessment, our provisional view is that the market for those services has features which are, to some extent, inherent.

[225] CMA Guidance CC3 paragraphs 10 and 12.
[226] The minimum level of profits required to keep the factors of production in their current use in the long run, such as the rate of return on capital employed for a particular business activity would be equal to the opportunity cost of capital for that activity. What constitutes a 'reasonable' or 'normal' rate of return will be specific to each case.

5.10 Our approach to identifying a WFM for the relevant services takes account of these inherent features, reflecting that not all markets are the same and that we are concerned with a realistic view of how the market could and should operate, not an idealised view. In summary, these features are:

(a) demand-side factors, including:

(i) pet owners make decisions on behalf of their pets and want to do the best for them;

(ii) pet owners inevitably have less expertise than their vets, cannot directly assess the diagnostic and treatment options that may be available and the clinical quality of the services they receive (which is hard to measure and communicate to them) and rely on their vets, in a relationship of trust, to help them make decisions; and

(iii) pet owners' decisions about vet services are sometimes made in urgent or emotional situations;

(b) there is sometimes uncertainty in vet care, both about what treatments pets need and the clinical outcomes;

(c) highly sophisticated (and often costly) treatments are available for pets;

(d) vets necessarily play a gateway role – their expertise and advice is needed for diagnoses, treatments and referrals, and the prescription of many medicines, and that gives them a dual role of both advising on those services and products and giving access to and selling them; and

(e) given the previous features, there is a need for adequate regulation.

5.11 These inherent features may be important in our assessment of competition in the market. They are part of the context in which competition occurs (or should occur). We take them into account when we assess how well competition is working, what may be distorting competition and what remedies may be required.

5.12 The inherent features are also likely to be important because of the way they themselves can affect competition. That does not mean those features are necessarily unwelcome. A trusting relationship between a pet owner and their vet, for example, is a desirable aspect of the market, as is people wanting to do the best for their pets. However, some of those features, such as the difficulties pet owners face in judging the quality of clinical services, will limit their capacity to make informed and effective choices about what services they buy and from whom. (Such choices are, in many markets key drivers of competition between providers who have to rival one another to meet customers' preferences.)

5.13 The inherent features do not prevent pet owners benefitting from competition in the form of good choice of services and fair prices. However, to ensure that this is the case, it is important that those aspects of the market that can be more responsive to the competitive process (or compensate for any inherent weakness in that process) are functioning well.

5.14 The more significant the inherent features of the market are in affecting the competitive process, the greater the risk of any non-inherent aspects of the market that prevent, restrict or distort competition having a significant and adverse effect. The more significant the inherent features, the greater the need for adequate regulation to ensure that the competitive process works well or, where it does not work well, to ensure that consumers are protected. We keep these points in mind in our assessment of competition.

5.15 Taking account of the inherent features described, our provisional view is that a WFM for vet services for household pets (including those services offered by FOPs, their OOH provision to pet owners, referral centres and crematoria) would be one in which:

(a) Pet owners have a good trust-based relationship with vets and rely on them for advice on treatment options, referral advice, OOH services and medicine choices.

(b) The trust-based relationship includes a level of transparency of information about matters on which pet owners should be able to make reasonably informed choices. Those include the range of services available, the identities and ownership of those who provide them, prices, and, where possible, different options for treatment, and indicators of quality. This information would enable pet owners to make decisions between providers,[227] treatments, or medicines, with adequate and timely knowledge of the cost implications, potential outcomes, and risks of different treatment pathways, based on what is best for them and their pet in the circumstances.

(c) Pet owners have choice. This includes being able to choose, according to their preferences and needs (and where clinical and non-clinical circumstances allow), between a range of:

(i) FOPs;

(ii) suppliers of referral services;

[227] Whether FOPs, other sources of supply of treatments (for example OOH, referral centres), or other suppliers of medicines.

(iii) medicines and treatments, including advanced and more basic options; and

(iv) medicines suppliers.

(d) Veterinary businesses and practices compete to win customers. They would be incentivised or disciplined[228] to meet pet owners' preferences and needs as effectively and efficiently as possible – by cutting prices, improving quality or variety, offering appropriate and timely information, advice and guidance, or by introducing new and better products or services, including through innovation – because they are rewarded with greater sales and profits if they do.

(e) There would be a diversity in the types of FOPs available to pet owners to reflect differences in pet owner preferences. This may include FOPs with different business models. For example, the business model of some veterinary businesses may cater more for pet owners wanting to see the same vet consistently whereas other business models may be more effective at reducing their costs and passing these cost savings on to pet owners (for example in the supply of medicines).

(f) An effective regulatory framework plays an important part in ensuring minimum standards of competence and quality, while supporting adequate information provision and pet owner decision making. This framework would ensure that veterinary businesses support vets in achieving these outcomes.

(g) In terms of outcomes:

(i) prices are competitive and reflect costs, which may include certain veterinary services making a greater contribution to a veterinary business's common costs compared to other veterinary services (which may be offered at lower prices as a result);

(ii) there is some evidence of pet owners' choices being exercised through responsiveness to differences or changes in the prices and/or quality of the services vets and veterinary businesses offer;

(iii) there is some evidence of veterinary businesses being responsive to the needs and preferences of pet owners (either directly or indirectly through regulation); and

[228] Including by the requirements of effective regulation.

(iv) profits earned by veterinary businesses reflect a 'reasonable' or 'normal' rate of return, and they do not make excess profits over a sustained period.

What would a WFM in the supply of veterinary medicines look like?

5.16 We have considered, within our assessment of the WFM for veterinary services, what the competitive dynamics, and the interaction between the supply and demand sides of the market, would look like in relation to the supply of veterinary medicines specifically. The inherent features discussed above – in particular, those outlined above – apply to the supply of prescribed veterinary medicines, considering vets' central and necessary role as clinical prescribers.

5.17 Taking those inherent features into account, our provisional view is that, in a WFM:

(a) Pet owners would have some indication about a FOP's prices (for example whether it is likely to be more expensive than other FOPs), including some indication of medicine prices.

(b) Third-party retailers would provide a degree of pricing constraint on veterinary medicines at FOPs, especially those purchased on a repeat basis, or at high prices.

(c) Sales of medicines would make a contribution to the common costs[229] of a veterinary business through medicine prices exceeding the incremental costs that FOPs incur in the supply of medicines.

(d) Where medicine prices are significantly higher at FOPs compared to third-party retailers, we would expect pet owners to be aware of such price differences and for this awareness to limit to what extent high medicine prices make a contribution to the common costs and profitability of a FOP.

(e) For non-urgent medicines, pet owners would be able to select a supplier other than their FOP (such as an online pharmacy, or a competing bricks-and-mortar business) to seek better prices for medicines that their vet has prescribed. In order to do so, pet owners would:

(i) be aware of their option to request a written prescription;

(ii) have some awareness of, and ability to compare, price differences between their FOP and third-party retailers (including the product price

[229] We use the term 'common costs' to refer to costs that arise when some activities of a business are shared across a group of products and services it provides (for example, administrative activities that support the provision of a group of products and services by the business). These common costs are not incremental to the provision of any individual product or service, nor are they directly caused by any individual product or service alone.

and associated fees, such as prescription and dispensing fees, and the overall price across the time period covered by a prescription);

(iii) face no other significant barriers to comparing prices for a given product between FOPs and third-party retailers (such as ignorance of which medicine to search for) or to exercising the choice between them (such as fees for written prescriptions which are larger than the costs of writing a prescription); and

(iv) make an informed decision whether to purchase non-urgent medicines at their FOP or from a third-party retailer, considering price alongside other factors such as convenience or regular contact with their FOP.

(f) FOPs and third-party retailers would be able to negotiate competitive prices with their medicine suppliers, either directly or through membership of buying groups, and be able to access similar commercial terms for a given volume of committed purchases. Some differences in the prices negotiated may remain to reflect efficiencies achieved through certain procurement and purchasing practices.

(g) Effective regulation would safeguard animals, protect public health and environmental welfare, and secure the supply of veterinary medicines. It would recognise and safeguard the inherent need for professional veterinary independence, expertise and guidance in the prescription of veterinary medicines, while also encouraging pet owner choice where practicable (for example, by requiring FOPs to make clear to pet owners their choices when purchasing the medicines prescribed by their vet).

5.18 As a result of the above, pet owners would pay competitive prices for medicines. Prices of veterinary medicines would reflect the cost of supply and, where efficiencies of certain business models lead to cost savings, those savings would, to some degree, be passed on to pet owners through lower retail prices. This competition would encourage FOPs to embrace efficiencies of certain business models and to negotiate competitive prices with their medicine suppliers.

What would a WFM in the provision of outsourced OOH services look like?

5.19 We proposed in part A, section 4 to define a separate market for the provision of outsourced OOH services to FOPs. We have, therefore, considered what a WFM for such services would look like.

5.20 As with the WFM for vet services generally, the market for outsourced OOH services has a number of features which, in our provisional assessment, are inherent and would be present even in a WFM. In particular:

(a) Provision is likely to be more highly concentrated than for FOP services, given that OOH services are used only outside normal working hours so there is less demand in each local area (and, consequently, there may be limited scope to increase the number of commercially viable competitors).

(b) OOH services are likely to be more expensive to provide, per veterinary professional required, as they depend on staff working unsocial hours and demand is lower and less predictable.

(c) Contractual notice periods and termination fees will likely, to some extent, be necessary to protect the commercial viability of outsourced OOH services.

(d) Even if information on providers of OOH services were available, many pet owners are unlikely to shop around when choosing an OOH provider, particularly given the urgency with which OOH services are typically required. FOP vets are required by regulation to provide 24 hour care so that OOH services are likely to be viewed by pet owners as part of a FOP's overall offering. These two features, in turn, are likely to weaken the competitive pressure on OOH providers selling those services to FOPs.

5.21 Taking account of these inherent features, our provisional view is that a WFM for the provision of outsourced OOH services to FOPs would be one in which:

(a) Where there is sufficient local demand, there would be more than one supplier of outsourced OOH services that compete with each other to win the business of FOPs (including by lowering prices and fees, improving quality, and offering more flexible terms and conditions). This competitive constraint would prevent providers of outsourced OOH services from charging prices that are substantially above costs.

(b) The duration of notice periods and the costs of early termination/exit fees would be limited to what is necessary to make OOH services commercially viable. They would not be a significant barrier to FOPs switching OOH provider or moving their provision in-house if they would prefer to do so, nor would these contractual terms be a significant barrier to entry or expansion of other OOH providers.

6. Consolidation, concentration, and commercialisation

6.1 In this section, we set out our provisional assessment of the impacts of consolidation in the veterinary sector. We focus on two ways in which consolidation could impact the sector:

(a) first, through increasing concentration; and

(b) second, through increasing the number of veterinary businesses that are part of larger groups, some of which may have a greater commercial focus than some vets have previously experienced, an effect we refer to as commercialisation.

6.2 The first effect, concentration, can result in an insufficient number of close competitors to ensure that veterinary businesses have strong incentives to compete on price and quality.

6.3 The second effect, commercialisation, can result in more vet practices with a greater focus on levels of profitability.

6.4 If there is strong competition, a greater commercial focus can drive good outcomes for pet owners and their pets. The pursuit of profit, together with effective competition, can drive incentives of vet practices to increase their efficiency and to invest in their services in a way that benefits their customers. For example, vet practices would have strong incentives to reduce their costs and pass on cost savings to customers.

6.5 If there is weak competition, a potential concern is that a greater commercial focus could mean that vet practices make higher profits at the expense of pet owners and their pets. The pursuit of profit, unchecked by competition, could lead vet practices to behave in a way that does not benefit their customers. For example, vet practices may increase prices by more than any increase in costs and, when there are cost savings, not pass these on to consumers. Such effects may have both consumer and animal welfare implications: some pet owners may pay more for veterinary services; other pet owners may not be able to afford the price increases and forego treating their pets or stop visiting the vet at all, with detrimental consequences for both the pet owner and their pet.

6.6 In this section we focus on these two effects of consolidation as they are potential explanations for the concerns put to us by some vets and pet owners relating to the growth of LVGs in the sector. It is important to put such concerns into wider context, in particular the benefits that LVGs have brought to the sector. This includes LVGs contributing to the improvements in employment practices (set out

in part A, section 2)[230] and the investments LVGs have made (assessed further in part A, section 7).[231]

Consolidation and concentration

6.7 In this section we set out our analysis of local concentration and whether the degree of concentration raises any competition concerns.

Local concentration analysis

FOPs and referral services

6.8 Competition in FOP and referral services is local because people access vet services close to where they live. During the market review we heard concerns – from pet owners and independent vets – that extensive consolidation in the sector was leaving many areas with a lack of choice. A related concern was that increases in local concentration may be a driver of weak competition and rising prices across the sector (in the UK overall). We have provisionally found that these concerns are not supported by the evidence.

6.9 Even though there has been significant consolidation, our analysis indicates that high local concentration is not widespread enough to be a driver of price increases across the sector. Our analysis indicates that 89% of FOPs are in local areas where there are at least four competitors, and for most areas (81%) there are five or more competitors.[232] Similarly, 87% of referral sites are in local areas with at least four referral providers, and for most areas (78%) there are five or more referral providers.[233]

6.10 We assessed the feasibility of empirically testing whether there have been any causal effects of higher concentration on prices and found that this testing would not be reliable, both because we observed relatively few changes in local concentration in the data, and because certain assumptions needed for the tests to be reliable did not hold. As high concentration is not widespread enough to be a driver of price increases across the sector, further testing for any causal effects of

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[230] Part A, section 2: Context for the veterinary services market.
[231] Part A, section 7: Market outcomes.
[232] Competitor refers to FOPs under different ownership. Further details of how we defined a local area and how we assessed whether FOPs were located close enough to each other to be competitors are available in Appendix A: Local concentration analysis.
[233] Previous CMA merger investigations in the veterinary sector have used share of FTE vets. For example, IVC/Multiple independent practices, Medivet/Multiple independent practices, VetPartners/Goddard, and CVS/The Vet. Differences in approach between our Market Investigation and previous CMA merger investigations reflect how our analytical objective differs to a merger investigation and how it was not possible for us to collect data on FTE vets across all vet practices in the UK. Given that we have provisionally found that high local concentration is not widespread enough to be a driver of price increases across the sector, further analysis of local concentration (such as using share of FTE vets in specific local areas) is not necessary. This does not preclude that the appropriate analytical approach in the assessment of future merger activity would be for the CMA, in assessing the strength of competitive constraints in specific local areas, to use shares of FTE vets.

higher concentration on prices was not an area of focus for the Market Investigation.

OOH services

6.11 We did not receive widespread and significant concerns relating to lack of choice and the degree of concentration in OOH services. While OOH services are more concentrated than FOP services, the limited concerns in relation to concentration in OOH services reflects how concentration is an inherent aspect of OOH provision.

(a) There is less demand for vet services outside of normal working hours, and OOH care is more expensive to provide than FOP services due to the uncertain workload and the higher salaries involved. These inherent aspects of OOH provision mean that there is less scope for a large number of OOH competitors in a local area.

(b) FOPs may provide OOH services, or they may outsource their OOH provision. The supply of outsourced OOH provision to FOPs is more concentrated than in the supply of FOP services, with only 26% of OOH providers being located in areas where there are at least four competitors in close proximity to each other, compared to 29% in areas with three competitors, and 25% in areas with two competitors. The remaining 19% of OOH providers are in areas served by only one OOH provider.

6.12 In Appendix A, we provide further results of our local concentration analysis.

Consolidation and commercialisation

6.13 One effect of increasing consolidation is the larger presence of LVGs and smaller presence of independent vets. In 2013, only 10% of FOPs were owned by LVGs. This share is now around 60% and has grown mostly through acquisition of independent practices by five LVGs (a sixth LVG, Pets at Home, has grown organically by establishing new vet practices, often within its retail stores, and has not acquired any existing vet practices since 2013).[234]

6.14 The focus of a CMA Market Investigation is on competition and not specifically the types of owners of firms or these firms' management structures. However, there can be links between ownership, management structures and competition. In this section we explain how we have considered these links as part of our wider

[234] PowerPoint presentation from CMA hearing with [✂], March 2025, slides 6-7; LVG [✂] response to putback, September 2025, p 3.

assessment of competition, and we set out our provisional findings on the impact of changes in ownership on the outcomes of competition.

6.15 The ownership and management of vet practices is relevant for our assessment of competition because different owners and managers may respond differently to any weaknesses in the competitive process. At present, one key difference between LVGs and many independents, specifically those that are owned and run by vets, is how the current regulatory framework may affect their incentives. Owners and managers of vet practices that are themselves vets are regulated by the RCVS, whereas those that are not vets are not so regulated. Where relevant, we have considered the impact of these regulatory differences throughout our assessment.[235]

6.16 Based on our wider assessment of competition, we have not identified features of the market that are specific to certain groups and their ownership status.

6.17 Instead, our provisional finding relating to consolidation and ownership is that there are certain LVGs that have increased FOP prices, by more than independents, and that these price increases are in response to factors that are present across the whole sector. We provisionally find that:

(a) there is strong evidence that changes in ownership, specifically acquisitions of independent vet practices by at least three LVGs ([✂], [✂], and [✂]), have caused a 9% increase in average prices at the set of FOPs they acquired, an 'acquisition effect' that was in addition to increases in prices by independent practices that were not acquired;[236] and

(b) these new owners have increased prices, in part, because they have been unrestrained by effective competition. Other factors that may explain part of the price increases are improvements in the quality of services and the associated higher costs involved.

6.18 Rather than these acquisition effects of certain LVGs being driven by too few FOP competitors across most local areas, we provisionally find that the acquisition effects are a result of certain LVGs responding to a lack of effective competition between FOPs, in a different way, on average, from the previous owners of the independent practices that they acquired.

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[235] In particular, in part A, section 10: Choice of treatments and referrals we consider whether regulation of veterinary businesses is effective at ensuring that pet owners are given appropriate and timely information and advice about treatment options. The regulation of veterinary businesses is of increasing importance given that consolidation has resulted in larger groups and changes in who owns and manages vet practices.

[236] This 9% effect was four years after an acquisition. [✂]. We also found strong evidence of an acquisition effect in relation to insurance claims values for at least three LVGs ([✂], [✂] and [✂]). This is a measure of the effect on the overall bill for diagnosing and treating a pet. [✂]. More details are available in part A, section 7: Market outcomes and Appendix B: Impact of corporate acquisitions on treatment costs.

6.19 The next two sections (part A, section 7 and part A, section 8) provide our full provisional assessment of competition between FOPs, including the evidence relating to the effects of changes in ownership.[237]

(a) In part A, section 7, we set out the evidence on the effects acquisitions by certain LVGs, and our provisional assessment that a significant driver of these acquisition effects was a lack of effective competition between FOPs.

(b) In part A, section 8, we set out our provisional assessment that this lack of effective competition between FOPs is because there are factors which mean that pet owners and insurers cannot, and do not, place a significant demand-side constraint on veterinary businesses.

6.20 The evidence in these two sections, including on acquisition effects, indicates that a greater commercial focus, unrestrained by effective competition, has contributed to price rises at FOPs. This greater commercial focus includes operating in a way that is more effective at increasing profitability or placing more weight on increasing profitability. We have not identified any other explanation for why certain LVGs have increased prices in response to a lack of effective competition.

6.21 The evidence on acquisition effects of certain LVGs is consistent with our qualitative research with vets and submissions from the FIVP.

6.22 Our qualitative research with vets reported that:

> Of the veterinary professionals interviewed who worked at a practice that had recently been acquired by an LVG, many reported that rising prices for customers were the most notable change following the takeover… Examples of this came from veterinary professionals at the practices of several LVGs.[238]

6.23 [✂] told us:

> From discussions with many ex-independent veterinary owners - now working within their former practices under corporate ownership – the perception is that fee increases following some LVG acquisitions are centrally directed. These increases are not always locally responsive or clinically driven, but commonly linked to corporate financial targets,

6.24 and it clarified that this statement was based on anecdotal feedback from [✂] working within veterinary practices.[239]

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[237] Part A, section 7: Market outcomes and part A, section 8: Competition between FOPs.
[238] Qualitative research with veterinary professionals by Revealing Reality, page 87.
[239] [✂], page 5.

6.25 It is important to clarify how this provisional finding should be interpreted to avoid any misunderstanding. This provisional finding is about how certain LVGs have increased prices by more than independents. This provisional finding does not mean that these LVGs are the only veterinary businesses contributing to price increases in the veterinary sector. In our wider assessment (part A, section 8),[240] we consider the scope for all types of veterinary business, both LVGs and independents, to raise prices due to a lack of effective competition.

Implications of our provisional findings on consolidation

6.26 Given that we have found that high local concentration is not widespread enough to be a driver of price increases across the sector, our focus has been on assessing whether competition works well between existing competitors across the UK.

6.27 Previous CMA merger investigations in the veterinary sector have led to divestments of FOPs to address competition concerns, limiting increases in concentration in the relevant local markets. Notwithstanding the provisional findings in this Market Investigation that high local concentration is not widespread enough to be a driver of price increases across the sector as a whole, the CMA will continue to give careful consideration to the impact of particular transactions on prices in local areas. In line with its current practice, the CMA will continue actively monitoring merger activity in the veterinary sector for any relevant acquisitions that may harm competition and will take account of the analysis undertaken in this Market Investigation regarding competitive dynamics as appropriate.

[240] Part A, section 8: Competition between FOPs.

7. Market outcomes in the supply of veterinary services by FOPs

Our provisional assessment

7.1 Prices of vet services, and overall vet bills for pet owners,[241] have increased significantly in recent years, and increased much faster than general services inflation. Our analysis indicates that between January 2016 and December 2023 average prices grew by 63% and average first-year treatment expenses (a measure of overall vet bills) increased by 53%, while general services inflation grew by 32%.[242]

7.2 There have been faster increases in prices and overall vet bills at FOPs owned by certain veterinary businesses. For at least three LVGs that acquired FOPs since 2015 [✂],[243] there is strong evidence that acquisitions caused an increase in either average prices or claim values[244] (together, 'acquisition effects'). These increases were in addition to increases in prices and overall vet bills by independent practices that were not acquired. We found that an LVG acquisition causes claim values to increase by 5% within four years, and average treatment prices to increase by 9.2% within four years. Our analysis indicates that an acquisition by [✂], [✂] or [✂] increases claim values, and that an acquisition by [✂], [✂] or [✂] increases average treatment prices.[245]

7.3 In this context, we note that LVGs may incur lower operating costs at acquired FOPs, for example due to their greater negotiating power to obtain rebates from manufacturers of veterinary medicines.[246] It appears that any such cost savings are not being passed on to pet owners.

7.4 We separately found that, for the period between January 2023 and July 2024, the prices charged by an LVG-owned practice were, on average, 16.6% higher than the prices charged by an independent practice. There was variance across the large groups with results ranging between [✂] [5%] and [✂] [25%] higher: compared to the average independent practice, the average price charged [✂]. We note, however, that this price dispersion analysis does not seek to control for possible quality or cost differences between services at different veterinary businesses, and does not itself establish that the LVG ownership model is the

[241] As discussed in detail below, to obtain a proxy of overall vet bills we estimated first-year treatment costs by summing the values of all insurance claims submitted over a 12-month period.
[242] ONS, CPI Index: services (accessed 29 September 2025).
[243] Pets at Home made no acquisitions of FOPs since 2015, so our analysis on the effect of LVG acquisitions does not apply to Pets at Home.
[244] This is the amount claimed by a policy holder before any excess or deductions.
[245] We did not find an acquisition effect for Linnaeus in relation to average prices or claim values and Pets at Home did not acquire practices over the 2015-2024 period. [✂].
[246] Part A, section 11.

cause of higher treatment costs. We have therefore focused primarily on the increases in prices over time described above.

7.5 In principle, the increases we observe in average prices and vet bills across the whole sector could be explained by increases in the cost of supplying veterinary services, including through improvements or investments in quality. They could also, in whole or part, reflect a lack of effective competition between FOPs.

7.6 Similarly, the specific post-acquisition price increases we observe at certain LVGs could be explained by (i) a strategy that repositions acquired practices to offer higher quality services at higher prices, (ii) a strategy which anticipates a restricted consumer response to price rises (that is, pet owners not moving to a cheaper vet practice) and reflects a lack of effective competition between FOPs, or (iii) a combination of both these strategies.

7.7 Our provisional view is that neither these general nor specific price increases can be wholly explained by increases in the costs of supply or by LVGs undertaking a repositioning strategy at acquired practices. While these factors may explain part of the price increases, our provisional view is that a significant driver of these price increases was a lack of effective competition between FOPs. In coming to this view, we have considered a range of evidence.

7.8 First, we have identified factors indicating that pet owners and insurers cannot, and do not, place a significant demand-side constraint on veterinary businesses.[247] We provisionally consider that this lack of demand-side constraint is likely to weaken competition between veterinary businesses and give them the ability and incentives to raise their prices without a sufficiently offsetting improvement in quality. We consider that this gives a strong basis for us to expect veterinary businesses to raise prices faster than increases in their supply costs (which may arise from market-wide cost pressures and investments in quality), and if they are run with a focus on profit maximisation, to have the ability to earn profits significantly in excess of their cost of capital over a sustained period.

7.9 Second, we have conducted a profitability analysis of each of the LVGs over the period 2020 to 2024 inclusive,[248] which takes into account any increased supply costs and investments in quality. Overall, our provisional view is that this analysis shows that veterinary businesses covering a substantial part of the market earned profits materially exceeding the cost of capital over a sustained period. We recognise that not all veterinary businesses (and indeed not all LVGs) are profitable in this way, as veterinary businesses differ in the business model they adopt. [✂]. This profitability analysis provides direct evidence, in our provisional

[247] We discuss these aspects of competition in detail in part A, section 8.
[248] We also conducted a more limited margins analysis of a sample of independent veterinary firms over 2021 to 2023 inclusive.

judgement, that price increases are not sufficiently offset by the costs involved in any investment in quality.

7.10 In a well-functioning market, we would expect more of these profits to be competed away through lower prices or greater investment in quality.[249] Our evidence of profitability is therefore consistent with our overall provisional finding that there is not strong competition between veterinary businesses.

7.11 In addition to this general evidence on demand-side factors and profitability, we have considered evidence that is specifically relevant to our finding that prices and/or claim values increased at FOPs after acquisition by certain LVGs. We recognise that veterinary businesses, including LVGs, have made investments in quality and expanded the range of their services over time. However, because our econometric analysis on acquisition effects controls for any market-wide changes in costs, only changes in costs that are specific to LVG sites acquired from independents (in comparison to independent practices that remained independent) would be relevant for explaining the acquisition effect on price.

7.12 Overall, the evidence indicates that the price increases that occur following LVG acquisitions of independent FOPs cannot be wholly explained by improvements in the quality of services provided.

(a) While it is difficult for pet owners to observe and measure some aspects of clinical quality (such as, for example, the range of back-of-house equipment or the clinical accuracy of treatment advice), other quality measures are observable – for example, facilities, online support, appointment availability, parking and customer service, and some general clinical markers, such as the manner in which clinical advice and clinical care is provided and the outcome of treatment. If post-acquisition price increases could be explained by any such observable quality improvements, we would expect pet owners to perceive that LVGs provide higher quality veterinary services than independents. However, our pet owners survey indicates that, on average, pet owners at independent FOPs are more satisfied with the quality of vet services than pet owners at LVG-owned FOPs.

(b) We have not seen internal documents from LVGs that show a strong link between price increases and quality investments, despite requesting such documents from all LVGs. Nor have we seen significant marketing from LVGs to reposition their services as offering higher quality at higher prices, or strategy documents to support such a repositioning strategy. In contrast, we

[249] We note that the extent to which profits are competed away in each of these areas would depend on consumer preferences for low prices compared to higher quality, and their ability to judge this trade-off.

have seen some internal document evidence from LVGs that link price increases to a restricted customer response.

(c) We have not, despite seeking it, seen substantive or robust evidence from LVGs on how their post-acquisition investments in capital or staff compare to investments that these practices would have made had they not been acquired.

7.13 Finally, we have analysed submissions from veterinary businesses regarding their increases in costs over time, particularly in relation to staff costs, which account for the most significant portion of the costs of a veterinary business. We have observed significant increases in remuneration per FTE worker over time, particularly at LVGs, but these salary increases can, at most, explain around half of the price increases over time across LVGs. In any case, the changes in salaries are not unique to the LVGs and only the element of salaries (and other costs) that are higher for LVGs would be relevant for explaining the acquisition effects of certain LVGs on price because, as noted above, our analysis of acquisition effects controls for any market-wide changes in costs.

7.14 We have not received well quantified evidence of other increases in costs, including due to investments in quality. There is some evidence that clinical staff time on consultations has increased (and the same may apply to certain treatments), and such changes could reflect improvements in quality that contribute to price increases.

7.15 Overall, our provisional assessment of this evidence is that changes in quality only partly explain the increases in prices, and that a significant driver of the price increases was a lack of effective competition between FOPs.

7.16 In this section, we set out:

(a) the results of our analysis on general and post-acquisition price trends, with details provided in Appendix B[250]

(b) the results of our profitability analysis, with details provided in Appendix C[251]

(c) a summary of evidence specifically relevant to the post-acquisition price rises at certain LVGs, with details provided in Appendix E[252], and

[250] Appendix B: Impact of corporate acquisitions on treatment costs.
[251] Appendix C: Financial and profitability analysis.
[252] Appendix E: Other supporting evidence on market outcomes, Internal document evidence on price rises.

(d) an assessment of submissions from veterinary businesses regarding increases in their costs of supply over time, with details provided in Appendix E.[253]

7.17 In the next section (part A, section 8) we describe and assess those aspects of competition which indicate pet owners and insurers cannot, and do not, place a significant demand-side constraint on veterinary businesses. This includes the difficulties pet owners face comparing the quality and prices of different FOPs, and consequently that pet owners are unlikely to be aware of whether higher prices are justified by a higher quality service.

Price trends over the past 10 years

7.18 The cost to pet owners of purchasing vet services has increased in recent years. Between January 2016 and December 2023, the Office for National Statistics (**ONS**) Consumer Price Index (**CPI**) for veterinary and other pet services grew by 54%, whereas the ONS CPI for services grew by 32%.[254]

7.19 To gain more detailed information on pricing trends, and to compare these between suppliers, we analysed data from two [✂] insurance companies in the vet sector, from 2016 to 2023, as described in detail in Appendix B.[255] For each claim submitted to the insurers, these data sets included the total amount claimed, information about the pet, the condition treated and the vet practice which supplied the treatment. One of the datasets also provided information on the specific treatments administered to each pet. This allowed us to assess how prices and overall vet bills have changed over time, and in addition how these prices and overall vet bills changed when an independent practice has been taken over by a large veterinary group.

7.20 We are interested in examining variations in the total vet bill incurred by pet owners of a course of treatment (over time and across suppliers). Our analysis focuses on three determinants or proxies of these total vet bills: the value of individual claims submitted by pet owners to insurers (claim values), the aggregated value of claims submitted by pet owners within the first year of contacting a vet for a given condition (first-year treatment costs), and the average price of items invoiced within defined treatment categories (average prices). We used these different metrics throughout our analysis, but generally our analysis of variations over time and across suppliers focuses on first-year treatment costs and average prices, while our analysis of the impact of acquisitions focuses on claim values and average prices.

[253] Appendix E: Other supporting evidence on market outcomes, Investments in quality over time.
[254] ONS, CPI Index: services (accessed 29 September 2025).
[255] Appendix B: Impact of corporate acquisitions on treatment costs.

Average prices

7.21 The dataset obtained from one insurer provides detailed information on the different items invoiced under each claim, and the price of each item. The insurer has categorised each item into one of over 400 categories of clinical procedures and treatments (for example 'Diagnostics – rhinoscopy', 'Surgery – hemilaminectomy', 'Drugs – 'Metacam'), which we refer to as treatment categories. In turn, these treatment categories are aggregated into eight broader groups: 'consultation', 'diagnostics', 'drugs', 'hospitalisation', 'supplement', 'surgery', 'therapy', and 'other'. In this provisional report, for simplicity we refer to the average price of all items in a given treatment category in this dataset as a treatment's average price. However, we note that some treatment categories cover treatments with different levels of complexity and intensity, meaning that differences in average prices between providers or over time may cover differences in treatment mixes and quality, in addition to differences in the unit prices of identical treatments.

7.22 Our analysis found that average prices grew by 63% between 2016 and 2023.

Overall vet bills (first-year treatment costs)

7.23 It is common for pet owners to submit multiple claims for a given pet and condition, and different vets might have different policies in terms of aggregating invoices into claims (and these policies might vary over time). To obtain a proxy for the total vet bill of a course of treatment that is more consistent across suppliers and across time, we created a summary variable which, for every given combination of a pet and a condition appearing in the data, sums the values of all claims submitted within 12 months of the first claim. We refer to this variable as the first-year treatment cost incurred to treat a given pet for a given condition.

7.24 Our finding is that average first-year treatment costs grew by 53% for FOPs between 2016 and 2023.

Price differences across the sector

7.25 As well as finding that average prices grew by 63% between 2016 and 2023 as set out above, we also found that, for the period between January 2023 and July 2024, the average price charged by an LVG-owned practice was on average 16.6% higher than the average price charged by an independent practice. There was variance across the large groups with results ranging between [✂] [5%] and [✂] [25%] higher: compared to the average independent practice, the average price charged [✂].

7.26 We compared prices at practices that are similar based on observable factors such as practice type (FOP vs referral), practice location (local authority,

rural/urban) and treatment type. The results remain virtually identical even when we also control for pet characteristics such as age, breed, and medical condition. We note, however, that this price dispersion analysis did not seek to control for possible quality or cost differences between services at different veterinary businesses, and does not itself establish that the LVG ownership model is the cause of higher treatment costs.

7.27 We also found that in the period between January 2023 and July 2024, the average claim values and average first-year treatment vet bills were, on average, 17% and 13% higher at LVG-owned practices compared to independent practices.

7.28 Even when controlling for observable determinants of these variables (including pet characteristics, location, practice type (ie FOP or referral centre) and whether the customer had submitted a previous claim for the same condition), we found that LVGs had, on average, higher claim values and first-year treatment vet bills than independents over this time period. The differences (across all LVGs) ranged between 6% and 12%, depending on the dependent variable and sample used.

7.29 In our pet owners survey, reported customer satisfaction with costs was significantly lower for customers of LVG-owned practices, compared to customers of independents.[256] We obtained net customer satisfaction scores regarding the cost of service at a customer's most recent vet visit.[257] Compared to the satisfaction score for customers of independents (47 out of 100), satisfaction scores were significantly lower[258] for a range of LVG customer groups, including:

(a) customers of all LVGs (with a satisfaction score of 26 out of 100), and customers of the LVGs excluding Linnaeus[259] and Pets at Home[260] (20 out of 100);

(b) customers of LVGs that did not know they were at a large group (28 out of 100), as well as customers of LVGs excluding Linnaeus and Pets at Home that did not know they were at a large group (28 out of 100); and

(c) customers of five of the six LVGs: CVS (13 out of 100), IVC (17 out of 100), Linnaeus (24 out of 100), Medivet (28 out of 100) and VetPartners (29 out of 100).[261]

[256] Vet Users Survey, Final Report, Accent for the CMA, January 2025, (**pet owners survey**), published 6 February 2025, Q55b.
[257] These satisfaction scores are calculated as satisfied minus unsatisfied responses, divided by the total number of responses (excluding don't know and not applicable).
[258] Using a two-sided t-test at the 5% significance level.
[259] For which we did not find an acquisition effect.
[260] Which did not acquire practices in the 2015 – 2025 period.
[261] Customers of Pets at Home had a satisfaction score of 40 out of 100, which was not significantly lower than the score for customers of independents.

The impact of acquisition by an LVG on claim values and average prices

7.30 To consider the effect of an independent practice being acquired by an LVG, we conducted an econometric analysis (described in Appendix B[262]). This analysis looked at changes in the claim values submitted by pet owners at acquired practices around the time of the acquisition compared to any changes happening in independent practices at the same time. Pets at Home did not acquire any practices in the 2015-2024 period, therefore our analysis of the effect of corporate acquisitions does not apply to it.

7.31 Our analysis of claim values indicated that, for at least three LVGs that acquired FOPs since 2015 ([✂], [✂] and [✂]), there is strong evidence that acquisitions caused an increase in claim values. After four years, our overall analysis indicates the gap between acquired and independent practices increased by 5% on average,[263] and by [✂] for [✂], [✂] for [✂], [✂] for [✂], and [✂] for [✂].[264]

7.32 Our analysis of average prices indicated that, for at least three LVGs that acquired FOPs since 2015 ([✂], [✂], and [✂]), there is strong evidence that acquisitions caused an increase in average prices. After four years, our overall analysis indicates the gap between acquired and independent practices increased by 9.2% on average,[265] and by [✂] for [✂], [✂] for [✂], [✂] for [✂], and [✂] for [✂].[266]

7.33 These increases were in addition to increases in prices and overall vet bills by independent practices that were not acquired. The analysis did not find an effect for Linnaeus (on claim values or average prices).

7.34 Our analysis also showed that the effect of acquisitions varied across different treatment categories. The largest average price increase following acquisition was for drugs, which rose by 8.2%, followed by surgery (7.6%), consultations (7.2%) and diagnostics (5.5%).

7.35 One of the main limitations of the insurance data we have used for this exercise is that it does not take any account of quality. As noted above, the higher prices could be accompanied by an increase in quality, for example because of a higher quality version of the treatment (for example a longer consultation session, a larger support team during surgery or the use of more sophisticated equipment) or a better client experience (for example arising from investment in front of house

[262] Appendix B: Impact of corporate acquisitions on treatment costs.
[263] The estimated impact of an acquisition on claim values was 1.2% one year after the acquisition, 2.9% two years after the acquisition, 3.5% three years after of the acquisition, and 5.0% four years after the acquisition. The estimated impact averaged over all periods of observation (including periods beyond 4 years) was 3.2%.
[264] [✂].
[265] The estimated impact of an acquisition on average treatment prices was 3.3% one year after the acquisition, 5.2% two years after the acquisition, 6.7% three years after of the acquisition, and 9.2% four years after the acquisition. The estimated impact averaged over all periods of observation (including periods beyond 4 years) was 7.4%.
[266] [✂].

facilities). We discuss whether investments in quality could explain these acquisition effects later in this section.

Profitability analysis

Introduction

7.36 The primary purpose of conducting profitability analysis is to understand whether the levels of profitability (and therefore prices) achieved by suppliers are consistent with the levels we might expect in a competitive market. If profits above the levels that we would expect in a competitive market have been sustained over a sufficiently long period of time, this could indicate limitations in competition.

7.37 The extent to which the results of profitability analysis indicate limitations in the competitive process may depend on both the size of the gap between the level of profitability and the cost of capital, and the length of the period over which the gap persists. Further, the appropriate time period over which to examine the persistence of the gap between profitability and the cost of capital may vary according to the specific market.

7.38 We set out our methodology and approach in full in Appendix C[267] and Appendix D.[268]

Approach to profitability analysis

7.39 As with all of our markets work, we are interested in understanding how the market functions. The CMA's guidelines for market investigations[269] (CC3 (Revised)) indicate that outcomes such as the profitability of firms provide evidence about its functioning. We consider that these guidelines are relevant to our profitability analysis in this market investigation.

7.40 The analysis of profitability as a means of understanding competitive conditions in a market is based on the premise that in a competitive market firms would generally earn no more than a 'normal' rate of profit. CC3 (Revised) defines a 'normal' level of profit as:

> … the minimum level of profits required to keep the factors of production in their current use in the long run, ie the rate of return on capital employed for a particular business activity would be equal to the opportunity cost of capital for that activity.[270]

[267] Appendix C: Financial and profitability analysis.
[268] Appendix D: Cost of capital.
[269] CC3 (Revised), Annex A.
[270] CC3 (Revised), paragraph 116.

7.41 The opportunity cost of capital is the cost of capital which investors expect for providing capital to firms undertaking the activities under investigation. This can be thought of as a market-based return on investment, to compensate investors for providing money to firms in the market.

7.42 The rationale for benchmarking the observed return on capital of market participants with the opportunity cost of capital is that, in a competitive market, if firms persistently earned in excess of the return required to compensate investors for the risks taken, we would expect these high returns to be competed away until the point where firms cover their total costs, including a market-based cost of capital, and no more. Where firms persistently earn in excess of a normal return, this therefore signals that there may be limitations in the competitive process.

7.43 In preparing the profitability analysis, we also calculated the revenue margins (here, margins on earnings before interest and tax (EBIT)) for the LVGs and for a sample of independent veterinary firms. Margins analysis assesses returns against revenues, whereas profitability analysis assesses returns against capital employed, enabling a direct assessment of investor returns relative to their capital commitment. We have therefore only used our margin analysis to inform a comparison of relative financial performance between veterinary businesses.

Our methodology

7.44 Our analytical approach has been to estimate the return on capital employed (ROCE) of the six LVGs and compare this to their weighted average cost of capital (WACC). These LVGs comprise around 60% of the market.

7.45 We have used ROCE as our measure of return on capital rather than internal rate of return (IRR) as this measure can be computed annually and thus provides greater insights into trends over time and the drivers of profitability above and below the 'normal' level. As an alternative way of presenting our results, we also measure profitability on the basis of economic profits, which is profit less a charge at the cost of capital for the use of capital employed.

7.46 In scoping the ROCE analysis of the LVGs we have considered that:

(a) The relevant business activity is UK clinical veterinary services;

(b) The relevant firms for this analysis are the six LVGs: CVS, IVC, Linnaeus, Medivet, Pets at Home and VetPartners. We consider that these groups represent a substantial part of the retail supply of veterinary services[271] in the UK; and

[271] Our profitability analysis for the LVGs related to all their UK clinical veterinary services, including those provided by referral centres and farm and equine practices. This differs slightly from the relevant product market for the purpose of

(c) The relevant time period is a five year period from 2020 to 2024 inclusive.

7.47 Our analysis of the LVGs focuses on the results for their local clinics. This reflects the vast majority of their UK clinical veterinary activity. However, it does not include the RCVS-Specialist led referral clinics business of Linnaeus, which we analysed separately because [✂][272].

7.48 For our ROCE calculations in our base case assessment we have made the following adjustments to the LVGs' financial statements information:

(a) Tangible fixed assets - due to the under-reporting of the value of tangible fixed assets in the LVGs' financial statements, we carried out a bottom-up analysis of the recent costs of fitting out a sample of greenfield clinics to arrive at a cost per square foot with which to update their reported depreciation and asset values, and then extrapolated this across each LVG's estate.

(b) Intangible fixed assets - we sought to place a value on intangible assets normally not reported within financial statements, including in the base case values for customer relationships, skilled workforce and national branding. We excluded goodwill.

7.49 We compared the returns made by the six LVGs to their opportunity cost of capital of nine per cent, which we have estimated using the capital asset pricing model (CAPM). We estimated the cost of capital of the six LVGs over the five year period from 2020 to 2024 in line with our profitability analysis, as set out in Appendix D.[273]

7.50 In order to obtain an understanding of the financial performance of independent veterinary firms, we took a sampling approach, which involved requesting and obtaining financial information from 56 firms. We decided not to undertake a full profitability analysis for each of these because of the substantial resource implications that this would entail both on the firms and on us.

7.51 We therefore prepared a margins analysis for these firms, which does not require information on capital employed, instead of a ROCE analysis. This was a more limited piece of analysis for a sample of independent firms, seeking to establish their operating profit margins over three years based on how they prepare their financial statements, rather than using depreciated replacement cost basis for clinic fit-out costs and capitalising leased property assets as we had for the LVGs. We only included within our analysis those independent firms in our sample who had been trading across the whole of the three year period.

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our competitive assessment, which excludes services provided by referral centres and services provided for farm animals.

[272] [✂].

[273] Appendix D: Cost of capital.

Results and interpretation of our analysis

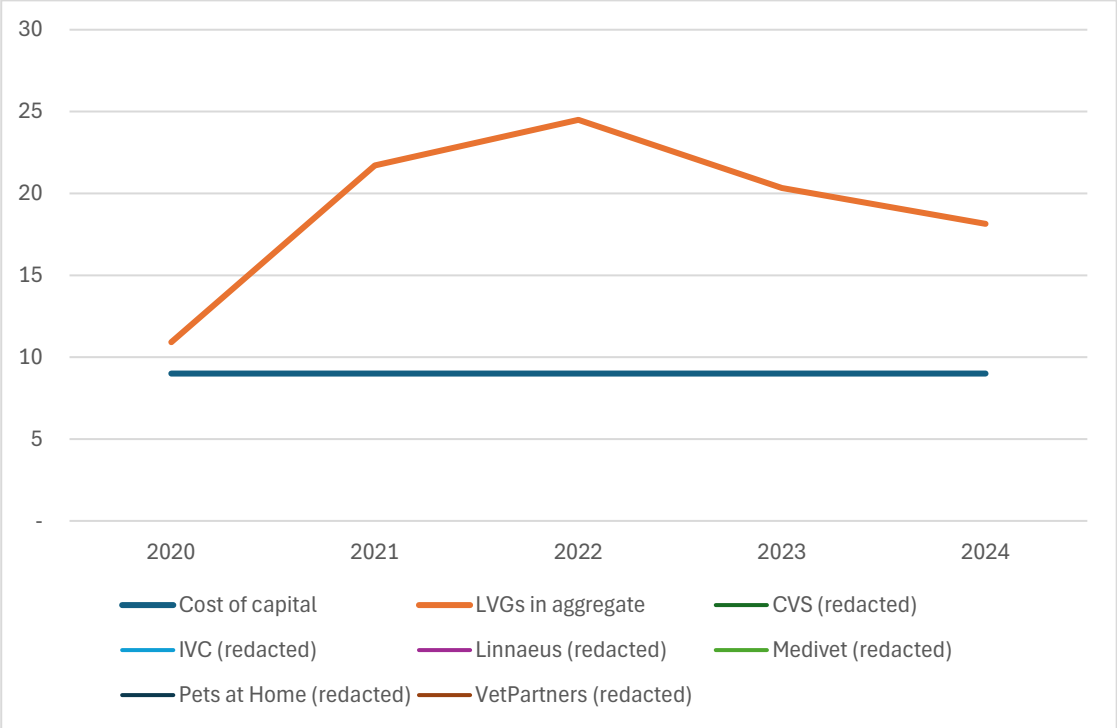
Local clinics

LVGs

7.52 We set out below the results of our base-case ROCE analysis below in both graphical and tabular form.

Figure 7.1: ROCE of the six LVGs (base case)

[✂]



Source: CMA analysis based on information supplied by LVGs.
Note: The graphed lines of ROCE over the 5 year period for individual LVGs have been redacted. 'LVGs in aggregate' line reflects the weighted average ROCE earned in each period.

Table 7.1: Average ROCE and total economic profits (base case) for each LVG's local clinics over the 5 year period 2020 to 2024 inclusive

	Aggregated over all LVGs	[✂]	[✂]	[✂]	[✂]	[✂]	[✂]
Average ROCE (percent per year)	19	[✂]	[✂]	[✂]	[✂]	[✂]	[✂]
Economic profits (£ million over 5 years)	901	[✂]	[✂]	[✂]	[✂]	[✂]	[✂]
Profit substantially above cost of capital? (Y/N)		Y	Y	Y	Y	N	N

Source: CMA analysis based on information supplied by LVGs
Note 1: Average ROCEs have been computed by the aggregate of individual year EB IT figures over the aggregate of average capital employed figures for each year
Note 2: Individual LVGs have year ends end in different months, so cover broadly the same period

Note 3: Economic profits in this table are simply the sum of the economic profits earned in each year by LVGs in the £s of that year. In part A, section 16, where we seek to estimate the level of the consumer detriment resulting over this period where we express the economic profits earned over these 5 years in present value terms (based on how much money is worth in 2024).

7.53 Our provisional finding is that four of the six LVGs were making profits materially above their cost of capital. There is variation over the period due to a number of different factors. More general factors explaining this variation include the impact of the Covid pandemic depressing the market initially in 2020 due to vets being restricted to emergency work only during lockdown, then the ensuing boom in pet ownership and now subdued volumes in the face of the cost-of-living crisis.

7.54 Also reflected within these numbers is the impact of LVG-specific factors such as permanent local clinic closures that all of the LVGs made across the period. For some LVGs these clinic closures were concentrated in certain periods: for example, Pets at Home closed over 30 clinics in FY2020. Also reflected within these numbers is the financial impact on certain of the LVGs of dealing with the CMA, such as the costs of legal and economic advice. More recently, in 2024 CVS was impacted by a cyber attack which significantly disrupted its operations.

7.55 The four LVGs that consistently earned returns above the cost of capital across the five-year period of our review were [✂], [✂], [✂] and [✂]. [✂] had the highest average ROCE of [✂]% per year, with [✂], [✂] and [✂] average ROCEs [✂]%, [✂]% and [✂]% per year respectively. We found that [✂], did not make an economic profit over this period and [✂] ROCE grew during the period to be above the cost of capital but then fell back to below the cost of capital in 2024.

7.56 We note that [✂]. We agree that [✂].

7.57 We note above that our econometric evidence of 'price differences across the sector' shows that [✂] has [✂] compared to independent veterinary firms. This supports the view that [✂].

7.58 Over the five year period, we estimate the six LVGs have, when considered together (that is, combining those LVGs earning economic profits with those LVGs recovering their cost of capital or less), earned economic profits from their local clinics (that is, returns over their cost of capital) of around £900 million in the base case.[274]

7.59 In order to test the robustness of our analysis we also conducted the following sensitivity analyses regarding the values we had placed on certain of the LVGs' fixed assets:

[274] These economic profits have been summed over 5 years without expressing them in present value terms. See part, A, section 16 for estimates of economic profits expressed in present value terms (based on how much money is worth in 2024).

(a) We considered the effect of valuing the clinic fit-out cost element of tangible fixed assets (and the related depreciation charge) and modelled the following sensitivities:

(i) Using the (lower) fit-out costs incurred by a sample of independent firms (hence lowering the depreciation charges);

(ii) Applying a 25% uplift to the fit-out cost asset values (hence increasing the depreciation charges);

(iii) Lengthening the expected useful life of the fit-out cost assets from an average 16 years to 20 years (and hence lowering the depreciation charges); and

(iv) Shortening the expected useful life of the fit-out costs from an average of 16 to 12 years (and hence increasing the depreciation charges).

(b) We also considered the effect of using the start-up loss approach to valuing intangibles rather than the cost-based one we had in our base case. The start-up loss approach values these assets on the basis of the opportunity cost of setting up a greenfield operation. Estimates for such losses in the first few years of a greenfield operation act as a proxy for the investment required to develop the necessary intangible fixed assets. Details on this approach can be found in Appendix C.[275]

7.60 We set out below the results of our sensitivity analysis on our base-case ROCE analysis and economic profits below in tabular form.

[275] Appendix C: Financial and profitability analysis, section 4.

Table 7.2: Summary of sensitivities based on average ROCE and aggregate economic profits for each LVG's local clinics over the 5 year period 2020 to 2024 inclusive

	ROCE	Economic profit
	% per year	£ millions
Base case	19	901
Higher ROCE / economic profit scenarios		
Base valuations for fit out costs on those of independent firms (and related depreciation charge)	28	1,306
Lengthen expected useful life for fit out costs (and related depreciation charge)	21	1,026
Lower ROCE / economic profit scenarios		
Increase valuations for fit out costs by 25% (and related deprecation charge)	15	628
Shorten expected useful life for fit out costs (and related depreciation charge)	17	691
Adopt efficient start-up losses approach to valuation (asset value not amortised)	17	773

Source CMA analysis based on information supplied by LVGs
Note 1: Average ROCEs have been computed by the aggregate of individual year EBIT figures over the aggregate of average capital employed figures for each year
Note 2: Individual LVGs have year ends end in different months, so cover broadly the same period.

7.61 The use of independent fit out costs had the effect of increasing ROCE as did lengthening the expected useful asset life for fit out costs; in the other sensitivities the ROCEs reduced. However, in each sensitivity for four of the six LVGs their average ROCE for the period remained significantly higher than the cost of capital. The average ROCE of the six LVGs over the five year period (being the sum of all six's EBIT for the five years divided by the sum of all six's average capital employed for the five years) remained significantly higher than the cost of capital.

Independent veterinary firms

7.62 For the independent veterinary firms, we found a wide distribution of EBIT margins: from -9% to 34%, with a weighted average EBIT margin of 11%. We note that the average EBIT margin of LVGs was higher, at approximately 14%. However, for the analysis of the margins of independent firms we utilised the basis of preparation that these firms use to prepare their own financial statements, making adjustments as needed to make each independent firm's information broadly comparable with each other. That basis of preparation differed from the approach we took to the LVGs. In other important respects the analysis differed between the independent firms and the LVGs. We therefore do not intend to place weight on the relative EBIT margin of independents compared to the LVGs.

7.63 While there was considerable variability in the level of profitability between each LVG, the variability in financial performance was even more pronounced across our sample of independent veterinary firms. Accordingly, it is important to recognise that as distinct groups independent veterinary firms appear to be even more heterogeneous than LVGs. Some of the analysis we have generated

nonetheless suggests, in our provisional view, some independent firms are making profits that we would not expect in a well-functioning market.

RCVS-Specialist led referral centres

7.64 We separately analysed for Linnaeus, the smallest of the LVGs,[276] the profitability of its RCVS-Specialist led referral centres, [✂]. This business was [✂].

Evidence relevant to post-acquisition price increases at certain LVGs

7.65 In this section, we consider whether any increases in price and/or claim values at recently acquired FOPs could be explained by a higher quality provision of vet services post-acquisition.

7.66 We recognise that veterinary businesses, including LVGs, have made some investments in quality and expanded the range of their services over time. However, because our econometric analysis on acquisition effects controls for any market-wide changes in costs, only changes in costs that are specific to LVG sites acquired from independents (in comparison to independent practices that remained independent) would be relevant for explaining the acquisition effect on price.[277]

7.67 We have therefore assessed to what extent post-acquisition price changes can be explained by LVG-specific investments and improvements in quality. In this section, we set out evidence relevant to this question. We consider that this evidence supports our provisional assessment above that post-acquisition price increases cannot be fully explained by improvements in quality. In particular:

(a) Our pet owners survey indicates that pet owners at independent FOPs are more satisfied with the quality of vet services than pet owners at LVG-owned FOPs.

(b) Our review of LVG internal documents indicates that LVGs link price increases primarily to a restricted customer response, rather than to investments in quality.

(c) While LVGs have significantly higher rates of PSS accreditations, we do not consider PSS to be an accurate comparator of quality given differences in rates of participation between LVGs and independents.

[276] Part A, section 2, Tables 2.1 and 2.3 and paragraph 2.41.
[277] As discussed in Appendix B, the particular econometric method we used to isolate the causal effect of a change in ownership is known as difference-in-differences (DiD). Instead of simply comparing changes in prices between LVG-owned and independent practices, this method compares changes in prices for LVG-owned practices around the time of their acquisition with changes in prices for independent practices around the same period.

(d) We have not, despite seeking it, seen substantive or robust evidence from LVGs on how their post-acquisition investments in capital or staff compare to investments that these practices would have made had they not been acquired.

7.68 We consider each of these points in turn below.

Our pet owners survey indicates that pet owners are more satisfied with the quality of vet services at independent FOPs compared to LVG-owned FOPs

7.69 While it is difficult for pet owners to observe and measure some aspects of quality (such as, for example, clinical standards), other quality measures are observable. These include non-clinical measures such as facilities, online support, appointment availability, parking and customer service, and some general clinical markers, such as the manner in which clinical advice and clinical care is provided and the outcome of treatment.

7.70 If post-acquisition price increases could be explained by any such observable quality improvements, we would expect pet owners to perceive that LVGs provide higher quality veterinary services than independents. Instead, our pet owners survey indicates that, on average, pet owners are more satisfied with the quality of vet services at independents.

7.71 In our pet owners survey, we asked respondents about their level of satisfaction with different aspects of services relating to their last visit.[278] The results in Table 7.3 below summarise these responses into net satisfaction scores out of 100 (calculated as satisfied minus unsatisfied responses, divided by the total number of responses, excluding don't know and not applicable).

[278] Pet owners survey, Q55b. The response options were very satisfied, fairly satisfied, neither satisfied nor unsatisfied, fairly unsatisfied, very unsatisfied, not applicable, don't know.

Table 7.3: Pet owners survey net satisfaction scores on last vet visit

	Info and/or advice	*Care given to pet*	*Quality of service*	*Outcome of visit*	*Cost of service*
Independents	78	84	83	79	47
All LVGs	68*	80	76*	72*	26*
Relevant LVGs[279]	69*	80	76*	72*	20*
Relevant LVGs (only pet owners unaware that they were an LVG)	71	80	76	74	28*
CVS	71	83	79	71	13*
IVC	71*	81	76	74	17*
Medivet	68	83	79	71	28*
VetPartners	61*	72*	67*	68	29*
Linnaeus	64*	81	75	73	24*
Pets at Home	69*	79	76*	73	40

Source: CMA Analysis, pet owners survey, Q55b

** Scores for each defined group ('All LVGs', 'Relevant LVGs', 'Relevant LVGs (only pet owners unaware that they were an LVG)', 'CVS', 'IVC', 'Medivet', 'VetPartners', 'Linnaeus' and 'Pets at Home') were tested for significance against scores for independents using a two-sided t-test. All values marked with a * are significantly different from independent scores at the 5% significance level.*

7.72 Consumer satisfaction across all measures, except cost of service, was high at both LVGs and independents. However, on average across the sample, customer satisfaction regarding their last FOP visit was significantly higher at independents compared to all LVGs for most aspects of services, including cost.

7.73 When comparing net satisfaction scores between independents and four LVGs that had acquired practices in the period 2015 – 2024[280] (these four LVGs being referred to as 'Relevant LVGs' in Table 7.3 above), pet owners at independents were significantly more satisfied with the quality of information and advice, the quality of service, the outcome of their visit and the cost of service. It is possible that these satisfaction rates could reflect consumer bias against LVGs, rather than actual quality levels. However, when compared with the net satisfaction scores of pet owners who were unaware that the practice they had attended was part of an LVG (effectively a 'blind' comparison), pet owners at independents were still more satisfied across all four attributes of quality compared with pet owners attending the practices of the Relevant LVGs.[281] Using this measure, pet owners at independents also remained significantly more satisfied with costs.

7.74 An internal document from one LVG [✂] regarding brand awareness indicated that independent practices rather than LVGs were [✂].[282]

[279] See paragraph 1.73 below.
[280] Excluding Linnaeus (for which we did not find an acquisition effect) and Pets at Home (which did not acquire practices in the 2015-2024 period).
[281] On this basis, the four comparisons taken together (combining all four quality attributes) were statistically significant, although none of the comparisons on individual quality attributes was statistically significant.
[282] LVG [✂] response to RFI17, [✂].

LVG internal documents link price rises primarily to a restricted customer response, rather than to investments in quality

7.75 Evidence indicates that LVGs do not primarily set prices on the basis of local investments (for example, to improve quality), and we have seen no internal documents from LVGs that show a strong link between price increases to quality investments, despite requesting such documents from all LVGs. While internal documents from LVGs evaluating the acquisition of independent practices do discuss improvements in patient care and service range, opportunities to increase prices are justified solely or primarily by the acquirers' evaluation of customer willingness to pay and comparisons with the prices charged by LVGs in other practices.

7.76 We have not seen significant marketing from LVGs to reposition newly acquired sites as offering higher quality at higher prices, or strategy documents to support such a repositioning strategy.

7.77 In contrast, we have seen some internal document evidence from LVGs that link price increases to a restricted customer response.

7.78 We consider that LVGs' limited marketing on quality is inconsistent with a repositioning strategy that relies on customers choosing FOPs on the basis of quality. If there were a strategy to position certain LVGs as higher quality and higher price in order to attract and retain customers, we would expect this to be more strongly marketed to customers. However, we find that while LVGs typically provide some information on their websites regarding the services they offer (including their staff, facilities and amenities), LVG marketing of quality is typically left to local practices and is generally sporadic and light touch.

7.79 We set out details of our internal document review in Appendix E.[283]

While LVGs have significantly higher rates of PSS accreditations, we do not consider PSS to be an accurate comparator of quality

7.80 LVGs have significantly higher rates of PSS accreditations at their FOPs, both in relation to the PSS 'core standards' accreditation and the PSS higher accreditations ('general practice' and 'veterinary hospital'). As set out in detail in Appendix E,[284] 93% of all LVGs have obtained or are in the process of obtaining a PSS accreditation, compared to 45% of independent FOPs.

7.81 However, we have some concerns with the PSS as a measure of quality, which we set out in more detail in part A, section 14. The PSS does not ensure a minimum

[283] Appendix E: Other supporting evidence on market outcomes, Investments in quality over time.
[284] Appendix E: Other supporting evidence on market outcomes, Table 1.1: Number and share of FOPs with PSS accreditations, by ownership.

level of quality which all FOPs meet, and then enable those who offer a higher quality of services to obtain awards that distinguish their offering. Also, the voluntary nature of the scheme in combination with its administrative burden prevent it being a reliable indicator of relative quality across all FOPs. Given these concerns, we are unable to place weight on the different rates of PSS accreditations between LVG-owned and independent practices.

Investments made by LVGs at recently acquired sites

7.82 All LVGs that acquired sites have submitted to us that, post-acquisition, they had made investments in those sites to upgrade facilities, processes, customer service and clinical care, and to bring acquired sites in line with other practices in the group. Only [✂] and [✂] provided tangible estimates of any such post-acquisition investments:

(a) [✂] submitted evidence of quality improvements post-acquisition,[285] and stated that 'historically' its investments in newly acquired sites have been greater than its investment in other practices [✂].[286] [✂] referred to specific investments relating to PSS accreditation, providing clinical support and resources including client digital experience, staff pay and training, and providing practical support and guidance regarding client service.

(b) [✂].[287]

7.83 Our provisional assessment is that these submissions indicate that [✂] and [✂] have made some general improvements to acquired practices post-acquisition. These may be indicative of similar improvements made by other LVGs. In this way they may may explain some of the acquisition effect on price but not, in our view, all of it. In coming to this view, we have had in mind the evidence from our pet owners survey and LVG internal documents (which we set out in the sections below), as well as the following four points.

7.84 First, we have seen no internal documents from LVGs that show a strong link between price increases and quality investments, despite requesting such documents from all LVGs. If quality improvements had driven price increases, we would expect this to be part of a repositioning strategy for which there would be internal documentary evidence.

7.85 Second, ongoing improvements occur across both LVGs and independent practices. This means that even if the practices that were acquired by LVGs had instead remained under independent ownership, there may have been some investment in premises, equipment and training. Our acquisition effect analysis

[285] LVG response to RFI17 Q31 [✂].
[286] LVG response to RFI17 Q31 [✂].
[287] LVG response to RFI17 Q31 [✂].

controls for market-wide investments in quality and any price increases that result from these market-wide changes in quality. Quality increases that might explain the acquisition effect on prices would therefore need to be greater than general market improvements in quality by independents. We do not have strong evidence that this is the case.

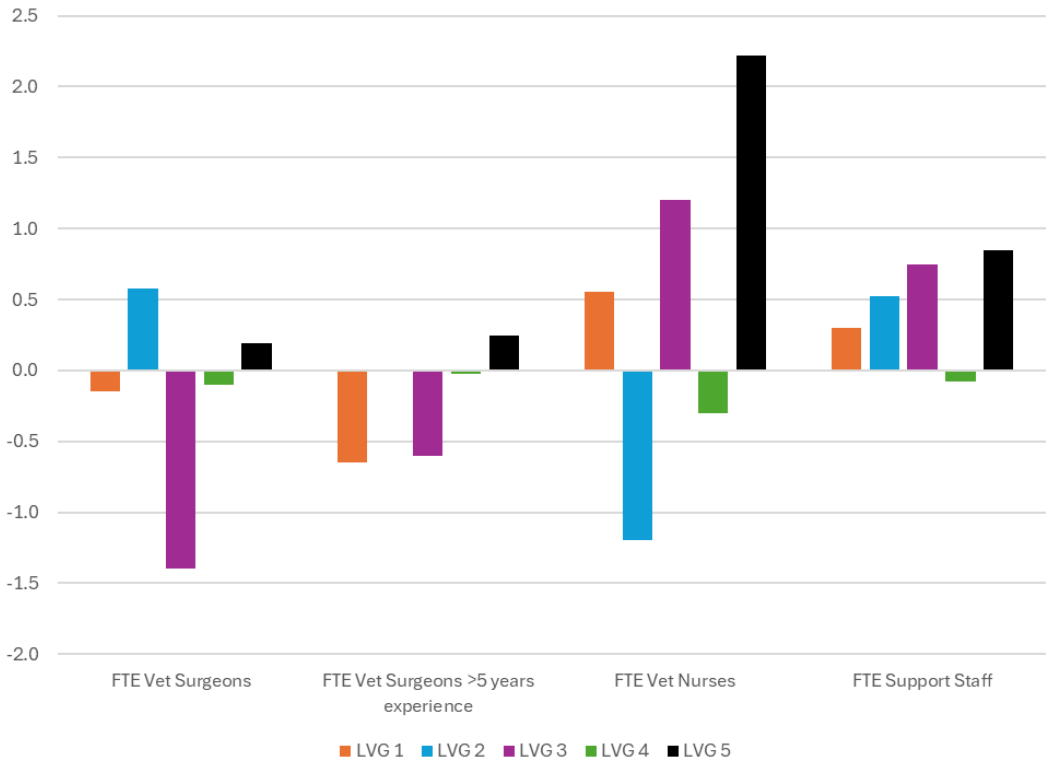
7.86 Third, [✂] ([✂] and [✂]) did not provide tangible or measurable estimates of post-acquisition quality investments. This makes it difficult to explain post-acquisition price increases with quality improvements.

7.87 Fourth, we have assessed data on staffing levels at the five LVGs that acquired sites. This analysis does not indicate an improvement in quality on the basis of LVGs hiring more clinical staff or more experienced clinical staff. Instead, this analysis indicates that LVGs tend to employ fewer experienced vet surgeons, more vet nurses and more support staff after an acquisition.[288]

7.88 Figure 7.2 shows that there was a fall in the median number of FTE experienced vet surgeons for three LVGs [✂], [✂] and [✂]) post-acquisition. There was a rise in the median number of FTE vet nurses per acquired site for three LVGs ([✂], [✂] and [✂]) and a rise in the median number of FTE support staff for four LVGs post-acquisition ([✂], [✂], [✂] and [✂]). This analysis indicates that improvements in the number and quality of employees post-acquisition are minimal, including for those LVGs for which we found a price acquisition effect ([✂], [✂] and [✂]).

[288] LVGs do not typically have access to staffing figures before acquisition, so this analysis is based on staffing levels at acquisition (or just after) compared to 12 months after acquisition. In some cases the figures provided were estimates.

Figure 7.2: Change in median numbers of employees per acquired site



*Source: CMA Analysis**
** Data from 5 LVGs [✂], [✂], [✂], [✂] and [✂] responses to RFI17, Q38*

7.89 While the staffing changes post-acquisition we have described may not indicate a reduction in the quality of care, they do not provide evidence of an improvement in staffing quality that would explain the price rises we have observed.

Submissions from veterinary businesses regarding increases in their costs of supply over time

7.90 In response to an earlier version of the working papers now published as Appendix B,[289] LVGs submitted that any increases in average prices and first-year treatment costs could be explained by increases in the costs of supply, due to factors including high wage inflation and increases in quality over time.[290] In this section, we set out the evidence submitted by veterinary businesses on increases in labour and other supply costs.

7.91 We consider this evidence supports our provisional assessment above that the price and cost increases set out cannot be wholly explained by increases in the costs of supply. In particular, we consider that this evidence indicates that a

[289] Appendix B: Impact of corporate acquisitions on treatment costs.
[290] LVG responses to the 'Impact of corporate acquisitions on treatment costs' working paper: [✂].

substantial portion of veterinary businesses have increased prices faster than their supply costs have increased.

Increases in remuneration per FTE worker

7.92 In this section, we consider evidence submitted on rising costs in remuneration per full-time equivalent (**FTE**) worker for both LVGs and independent firms. Remuneration includes all pay (such as wages, sick pay and maternity pay), benefits in kind (eg gym membership) and non-tax benefits (eg training, childcare vouchers).

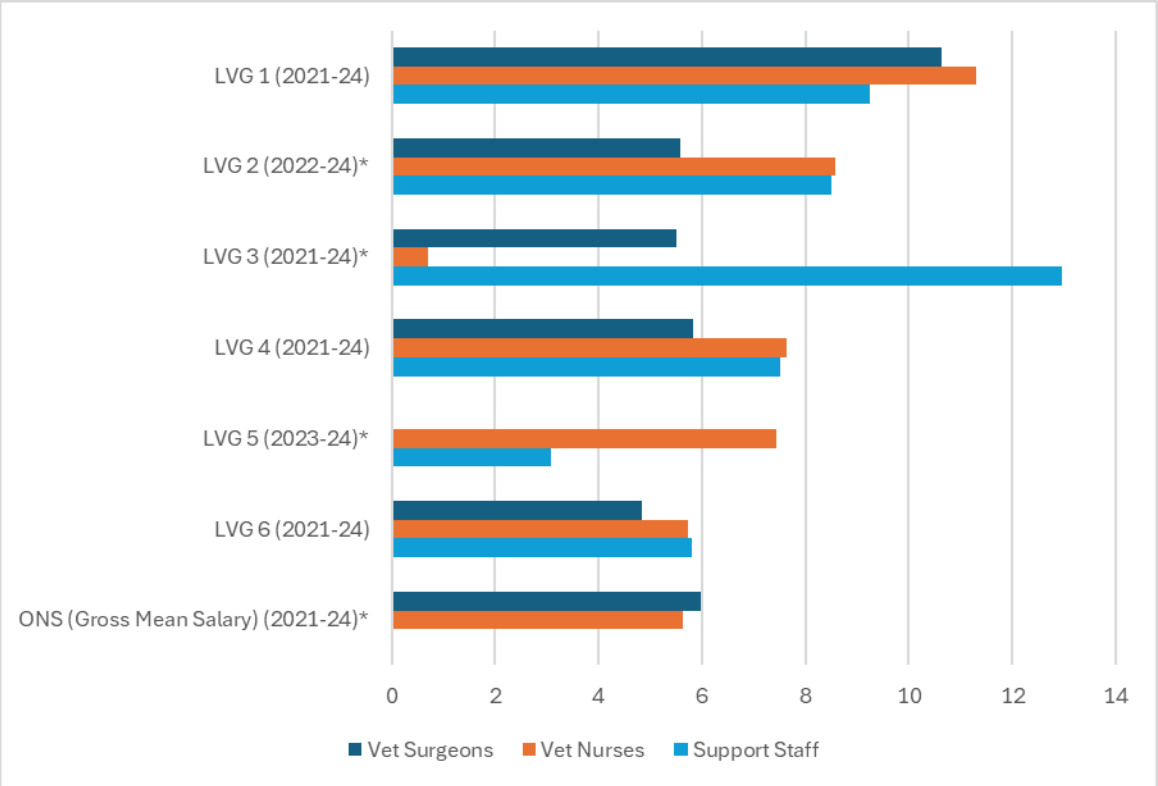
7.93 We note that the remuneration per FTE worker figures submitted to us by LVGs did not include pay for locums, as discussed in detail at Appendix E.[291] However, we consider that the exclusion of locum salaries is unlikely to have a significant effect on LVG remuneration per FTE worker data.

7.94 LVGs and independents have submitted that difficulties in recruiting and retaining staff have in part driven increases in staff remuneration. For example, IVC explained that [✂].[292] Many independents also described higher staffing costs. For example, [✂], an independent single site practice, explained that there was competition for vets and nurses and wages had risen to retain staff.[293] Several independent practices mentioned Brexit reducing the supply of European vets available.[294]

7.95 Remuneration per FTE worker at LVGs has been rising across all staffing types – veterinary surgeons, nurses and support staff (Figure 7.3) with annual growth rates typically between 5-12% over the period 2021-2024 for four LVGs. Figure 7.3 includes gross mean salaries as measured by the ONS.[295]

[291] Appendix E: Other supporting evidence on market outcomes.
[292] LVG response to RFI17, Q37 [✂].
[293] Independent [✂] response to RFI1, Q5.
[294] Independent [✂] response to RFI1, Q1; Independent [✂] response to RFI1, Q1; Independent [✂] response to RFI1, Q1; Independent [✂] response to RFI1, Q1, Independent [✂] response to RFI1, Q1; Independent [✂] response to RFI1, Q1; Independent [✂] RFI1, Q1, Independent [✂] RFI1, Q1.
[295] Employee earnings in the UK, based on the Annual Survey for Hours and Earnings (ASHE), Occupation SOC10 (4) Table 14.7a,publications for years 2021-2024, ONS (accessed 20 June 2025).

Figure 7.3: Remuneration per FTE (average annual increase, %)



Sources: ONS and LVG responses to RFI17 Q37

** LVG data is total remuneration including benefits-in-kind and non-tax benefits, except for data from LVG 5 [✂] and LVG 2 [✂], which only includes salary. LVG 5 [✂] data is calculated using head count not FTE and is only available for 2023 to 2024. LVG 3 [✂] data has been calculated from information provided but for nurse and support staff is compiled from separate databases which may create distortions. The ONS does not produce data for support staff in the veterinary sector.*

7.96 Figure 7.3 shows that earnings for vet nurses rose 5.6% across the whole market (based on ONS estimates), which is significantly less than the average percentage increases for vet nurses at almost all LVGs. This higher remuneration growth at LVGs may, in part, be due to differences in methodology.[296] However, the gap between LVG and ONS remuneration increases may also reflect LVGs offering increasingly high salaries and increasingly generous benefits compared to independents. This is consistent with evidence submitted by independents that they find it difficult to compete with LVGs on salary or benefits. For example, many independents mentioned increases in remuneration by LVGs as a challenge.[297]

(a) [✂] submitted that higher benefits packages were also difficult to compete with, stating that staff are attracted to corporate packages that include relocation bonuses, enhanced maternity and sick pay, back to work bonuses

[296] In particular, LVG data is total remuneration which includes benefits-in-kind and non-tax benefits, whereas ONS data is mean earnings.
[297] For example: Independent [✂] response to RFI1, Q1, [✂]; Independent [✂] response to RFI1, Q1, [✂]; Independent [✂] response to RFI1, Q1; Independent [✂] response to RFI1, Q1.

after maternity leave, pensions schemes, private health care and gym memberships.[298]

(b) Additional drivers of higher employment costs mentioned by independents included the national minimum wage, the minimum salary for skilled worker visas, national insurance and pension contributions.[299]

7.97 Some independent FOPs have also increased their wages considerably. For example, one independent FOP [✂] submitted that total salary expenditure as a proportion of its turnover had increased from 39% in 2009 to 50% in 2024.[300] Another independent FOP [✂] submitted that costs per vet had increased by 60.2% between 2016 and 2023 (an average increase of 6.9% annually).[301]

7.98 We can compare the LVG remuneration increases with price increases at those same LVGs (for the time periods available and for the LVGs for which we have data). Table 7.4 below shows that, for [✂], [✂], [✂] and [✂], average treatment prices have risen at an annualised rate that is above the growth in remuneration per FTE over the same time period.

Table 7.4: Average treatment prices and remuneration per FTE

	Treatment prices (annualised % change over time span shown)	*Remuneration per FTE (annualised % change over time span shown)*
[✂] (2016-23)	[✂]	[✂]
[✂] (2019-23)	[✂]	[✂]
[✂] (2021-23)*	[✂]	[✂]
[✂] (2020-23)	[✂]	[✂]

Note: the differing timespans presented are a result of limitations in the data provided by LVGs. Therefore this table is not suitable for comparing price or cost rises between LVGs, However, timespans are comparable within each row, enabling a comparison of prices vs costs for the same time period for each LVG.
**As previously noted, [✂] data is salary per FTE only, and does not include non-wage benefits or benefits-in-kind.*
Source: CMA analysis.

7.99 The extent to which wage increases result in higher prices depends on how much businesses pass on higher wages to higher prices instead of absorbing them (by cutting other costs). The 'pass through' from wage growth to price growth in the veterinary sector is about 50% according to the ONS.[302] This figure is based on the ONS estimate that in 2019 the 'labour cost share of output' in the veterinary sector was 50%. This means that labour costs were half of all costs, which matches recent evidence submitted to us from LVGs (for example, one LVG [✂] told us that wages make up around [✂] of its cost base).[303] This 50% pass

[298] Independent [✂] response to RFI1, Q1, p1.
[299] Independent [✂] response to RFI1, Q1; Independent [✂] response to RFI1, Q5; Independent [✂] response to RFI1, Q1.
[300] Independent [✂] response to February 2025 working papers, [✂].
[301] [✂] response to RFI1, Q1, pp1-2.
[302] ONS Analysis of wage and price increases (accessed 20 June 2025).
[303] LVG [✂] response to RFI17, Q37, [✂].

through rate indicates that price growth would be roughly half the growth in remuneration, absent any other (non-wage) increases in costs.

Other increases in costs

7.100 We have also considered evidence submitted by LVGs and independents regarding non-salary cost increases, including in relation to investments primarily made to improve the quality of equipment and premises.

7.101 We did not ask independents about investments in quality explicitly, as we did with LVGs. However, quality improvements mentioned by independents typically focused on salary increases as a way of maintaining/improving staff recruitment, retention and quality of care rather than improvements in facilities or premises.[304]

7.102 In response to our requests for information, all LVGs submitted evidence of general investments in the quality of treatments and services, that is, investments not associated with the acquisition of a particular site. We summarise this evidence in Appendix E.[305] These investments were mainly focused on improving facilities and increasing the range of services on offer, such as through relocation, site expansion and the purchase of equipment. LVGs submitted that their rationale for these investments was primarily aimed at improving quality, improving capacity, and improving facilities for staff.[306]

7.103 However, the evidence submitted by LVGs does not, in our provisional assessment, show that price increases over time are accounted for by investments in quality. In particular:

(a) It was often unclear how the capital investments set out in the documents submitted related to total spending on capital by an individual LVG over a particular time period, and therefore how average treatment prices might be affected.

(b) It was difficult to gauge to what extent capital spending projects would improve quality rather than just maintain an existing quality standard (for example, refurbishing a reception area that had become outdated over time).

(c) It was often difficult to tell from LVG internal planning documents which investments had been approved and completed (and therefore might warrant price rises) and which had not.

7.104 It was also unclear the exact mechanism by which LVG investments in quality would lead to price rises. For example, LVGs provided no internal documents that

[304] [✂] response to the February 2025 working papers, pp1-2; [✂] response to RFI1, Q1, p1; [✂] response to RFI1, Q5.
[305] Appendix E: Other supporting evidence on market outcomes.
[306] LVG [✂], Q35; LVG [✂]; LVG [✂]; LVG [✂].

clearly linked price setting decisions to investments in quality. In particular, for those LVGs that set prices centrally, such as [✂], there appeared to be no direct link between local investment and prices.[307] For those LVGs that set prices locally, such as [✂], [✂] and [✂], quality was one of many factors determining prices. Others included local competition, other input costs and group-wide pricing of same/similar treatments.[308] For example, new equipment in a local practice would be priced according to its cost per use, the price of that service in other group practices and local prices for the same service but it was not clear how this was calculated or how more complex quality investments such as site refurbishment would impact prices.[309]

7.105 It is important to note that the treatment price increases we found (in Table 7.4) were calculated by comparing prices for the same treatment over time. This means that expanding the range of treatment (such as purchasing the equipment needed to perform a laparoscopic spay) would not explain these price increases (even if a more traditional type of neutering was previously available). Improvements in the quality of existing treatments would provide a stronger basis for the price increases we have found, but we have received limited evidence of quality improvements of existing treatments from veterinary businesses.

7.106 Overall, we have not received well-quantified evidence of the rise in non-staff costs in the veterinary sector, though we did receive some submissions from independents regarding general cost increases such as the cost of medicines, medical products, energy and rent.[310] We also received evidence from one LVG [✂] that wholesale list prices of medicines had risen about 70% over ten years (2014-24), which would be equivalent to a 5% rise on average each year.[311] In the absence of more detailed evidence, we have considered the ONS' consumer price index (CPI) for services as a proxy for non-wage costs. This grew at an average annual rate of 6.0% (2021-2023).

7.107 We have compared average treatment prices with remuneration per FTE and Services CPI over the appropriate time periods in Table 7.5. Both remuneration per FTE and Services CPI have been weighted by 50% to take into account their proportion of overall costs. Again, treatment price increases for LVGs are still above where we would expect given the growth in wages and non-wage costs (comparing columns 1 and 4 in Table 7.5).

[307] LVG [✂] response to RFI17, Q33.
[308]LVG [✂], Q33; LVG [✂] response to RFI17, Q33; LVG [✂].
[309] LVG [✂], Q33; LVG [✂].
[310] [✂] response to RFI1, Q1, [✂].
[311] LVG [✂].

Table 7.5: Average treatment prices, remuneration and service price inflation

	Treatment prices (annualised % change over time span shown)	*Remuneration per FTE (annualised % change over time span shown) x 50%*	*Services CPI (annualised % change over time period shown) x 50%*	*Estimated treatment price increase based on costs in (2) and (3)*
	(1)	*(2)*	*(3)*	*(2) + (3)*
[✂]	[✂]	[✂]	1.7	[✂]
[✂]	[✂]	[✂]	2.0	[✂]
[✂]	[✂]	[✂]	3.0	[✂]
[✂]	[✂]	[✂]	2.4	[✂]

Note: the differing timespans presented are a result of limitations in the data provided by LVGs. Therefore this table is not suitable for comparing price or cost rises between LVGs, However, timespans are comparable within each row, enabling a comparison of prices vs costs for the same time period for each LVG.
Source: CMA analysis, ONS.

8. Competition between FOPs

8.1 In the previous section, we described some market-wide outcomes in relation to competition between FOPs, including that prices of vet services have increased significantly in recent years (both in general, and even more significantly at certain LVGs). These price increases cannot be fully explained by increases in costs and quality of service and a substantial part of the market earned profits that materially exceeded the cost of capital over a sustained period. In this section, we discuss some aspects of competition that we provisionally consider are giving rise to those outcomes.

8.2 In particular, we focus on the ways in which pet owners choose a FOP, whether consumers are able to make these choices in an informed way, and their propensity to switch FOPs. We also consider whether insurers are able to constrain veterinary businesses, for example by negotiating prices with certain vet practices in return for the insurance provider directing its customers to them.

Our provisional assessment

8.3 When pet owners are choosing between FOPs (either when they first need to register with a practice, or when they are considering switching vets), evidence indicates that they most often consider location, followed by recommendations from friends and family. Pet owners less often place weight on prices, which they consider alongside a wide range of other factors such as services offered and online reviews. There are no clear, measurable and reliable direct indicators of quality, although recommendation from friends and family may be based on an assessment of some aspects of quality.

8.4 However, price and quality matter to pet owners. Many pet owners currently consider them when choosing a FOP, and more may do so if there were more reliable and transparent indicators of price and quality, and if it was therefore easier to compare between different FOPs. This means that there is potential to stimulate greater competition between FOPs regarding price and quality.

8.5 Our analysis of prices (set out in part A, section 7) shows that the average price charged by an LVG-owned practice was on average 16.6% higher than the average price charged by an independent practice, with variance across the large groups.[312] It is unlikely that consumers are aware of these price differences (both between LVGs and many independents and between different LVGs), as our analysis is the first time such differences in overall prices in the UK have been assessed in a systematic way. We would expect more consumers to place weight

[312] For the period between January 2023 and July 2024. See part A, section 7: Price trends over the past 10 years.

on prices when choosing a FOP if comparable price information were available that enabled consumers to compare prices between FOPs.

8.6 We provisionally find that pet owners face barriers to comparing FOPs' prices and quality.

(a) Many FOPs do not supply information on prices that would enable pet owners to make an informed choice of practice. FOPs do not consistently publish comparable price information.

(b) Some veterinary businesses do not make it sufficiently clear when a FOP is part of a larger group. 53% of those pet owners that attended an LVG practice did not know that their vet practice was part of a large group.[313]

(c) It is currently difficult for veterinary businesses to measure and communicate quality, and for pet owners to compare the quality offering of FOPs. While there are some metrics that seek to measure clinical and non-clinical quality,[314] they are not sufficiently complete, objective or comparable to support pet owners to make an informed choice of FOP on the basis of quality. While veterinary businesses typically provide some information regarding the services they offer, LVG marketing of quality is typically left to local practices and generally light touch, making it difficult for pet owners to compare FOPs on the basis of quality.

8.7 The difficulties pet owners currently face comparing the quality and prices of different FOPs means that even if higher prices do reflect higher quality provision, consumers are unlikely to be aware that higher prices are justified by the better service. They also are unlikely to be in a position to decide whether their requirements may be satisfied by paying less for a service that may be of lower quality in some ways, though still professionally competent.

8.8 In the context of these barriers, many pet owners do not consider multiple practices or seek out price and quality information when first choosing a FOP. Out of all respondents that chose a FOP in the past ten years, only 22% accessed pricing information and considered multiple practices before registering[315] – and even these pet owners may have accessed very limited price information.

8.9 Once they have found a FOP, pet owners rarely switch practices. There are some legitimate reasons for switching rates to be low, including that many pet owners build trusted relationships with their vet or FOP over time, which can provide both consumer and animal welfare benefits.[316] However, we provisionally consider that

[313] Pet owners survey, p38.
[314] The differences between clinical and non-clinical measures of quality are discussed further below.
[315] Pet owners survey, Q12b, Q13 and Q15.
[316] Particularly if the animal is suffering for a more complex or longer-term condition.

pet owners' low *propensity* to switch practices is likely to be, in part, because pet owners lack awareness of the significant price differences that exist between FOPs.

8.10 In a well-functioning market, we would expect that pet owners could stimulate competition between veterinary businesses by making informed choices when first choosing a FOP, and by having a propensity to switch if their FOP's offering is no longer competitive. This competition could be in relation to both price and quality. Some pet owners might prefer a value proposition (that still meets a basic level of professional standards), whereas others might wish to pay higher prices for the best available services. However, because pet owners cannot readily access comparable information on prices, ownership and quality, they are less able to make such informed choices.

8.11 Because many pet owners are unaware of FOP ownership, they are unable to stimulate competition between LVGs in a national, brand-based context. Only two LVGs market their brand on a national or regional basis[317] (Medivet and Pets at Home), and this marketing is currently limited, as discussed below. We consider that in a well-functioning market, greater transparency of ownership could encourage stronger brand-based competition between groups, particularly in relation to quality. Similarly, local competition between different LVGs and different independent practices could be simulated by wider transparency of ownership.

8.12 In these circumstances, we provisionally consider that pet owners cannot, and do not, place a significant demand-side constraint on veterinary businesses.

8.13 Noting that insurance companies in some consumer-facing markets have the ability to constrain prices or set quality standards of certain services, we have considered whether pet insurers are able to provide an alternative constraint on veterinary businesses. We provisionally find that insurers have not significantly influenced or constrained the prices that FOPs charge for treatments and that insurers' ability and incentive to do so is limited, including because they each cover a relatively low proportion of pet owners.

8.14 Our provisional assessment is that this lack of demand-side constraint is likely to weaken competition between veterinary businesses, enabling FOPs to raise their prices without a corresponding improvement in service quality.

8.15 In the remainder of this section, we describe and assess evidence on each of these issues, setting out the evidence on the following aspects of competition between FOPs:

[317] We note that CVS has more recently adopted uniform branding online under its 'Vet Collection' brand.

(a) When choosing a FOP, pet owners often consider location and recommendations but are less likely to place weight on prices and other factors.

(b) Many FOPs do not supply information on prices and ownership that would enable pet owners to make informed choices.

(c) It is difficult for veterinary businesses to measure and communicate the quality of FOP services, and pet owners face barriers to effectively comparing FOPs' quality, including because quality metrics are not sufficiently complete, objective or comparable to support pet owners to make informed decisions.

(d) Many pet owners do not consider multiple practices or seek out price and quality information when choosing a FOP.

(e) Pet owners do not commonly switch FOPs even when they could obtain a better price or quality offering elsewhere.

(f) Insurers have not constrained veterinary businesses and their ability and incentive to do so is limited.

When choosing a FOP, pet owners often consider location and recommendations and are less likely to place weight on prices and other factors

8.16 Pet owners consider a range of factors when choosing a FOP. The evidence we have seen indicates that the relative importance of these factors differs significantly depending on the characteristics of the pet owner and the context of the choice they are making. In summary, we provisionally find that the most important factor for pet owners is location, followed by 'word of mouth' or personal recommendations. A wide range of other factors are given varying weight by different pet owners, including prices, services offered, online reviews, opening hours and appointment availability, staff, practice ownership, and parking and/or public transport. We note that personal recommendations may indirectly incorporate many of these other factors.

8.17 Reasons listed in our pet owners survey are set out in Table 8.1 below and summarised in detail at Appendix F, which also considers and summarises evidence from LVGs and independent vets, including through submissions and internal documents.

Table 8.1: Reasons reported for choice of FOP318

	Percentage of respondents that listed factor as **a** reason		Percentage of respondents that listed factor as **the main** reason	
Base	*Have been with FOP for less than **10** years*	*Have been with FOP for less than **2** years*	*Have been with FOP for less than **10** years*	*Have been with FOP for less than **2** years*
Location	68%	63%	34%	32%
Recommendations (from friends, family, etc)	44%	40%	23%	22%
Impression of the practice, staff or website	29%	29%	6%	5%
Prices	25% (20% for vaccination and medicines; 15% for consultation)	30% (22% for vaccination and medicines; 18% for consultation)	7% (5% for vaccinations and medicines; 2% for consultation)	6% (4% and 2%)
Appointment availability	28%	28%	4%	6%
Services offered	26%	29%	4%	5%
Opening hours	26%	28%	3%	4%
Parking and transport	25%	22%	2%	2%
Practice ownership	21%, including 14% that preferred independent and 7% that preferred LVG ownership	20%, including 14% that preferred independent and 6% that preferred LVG ownership	5%, including 4% that preferred independent and 1% that preferred LVG ownership	6%, including 5% that preferred independent and 1% that preferred LVG ownership
Online reviews	19%	24%	4%	5%
A special offer	4%	6%	1%	2%
Other	6%	8%	6%	6%

Source: Pet owners survey, Q13, Q14.

8.18 These responses and the further evidence set out in Appendix F indicate that:

(a) Price does not feature as a criterion for most pet owners when choosing a FOP due to the current lack of consumer awareness that there are significant price differences between FOPs. This may reduce the incentive for veterinary businesses to compete on price. However, around 30% of pet owners place weight on prices when choosing a FOP, so there is already some scope for pet owners to stimulate competition between FOPs on price.

(b) Because many pet owners place weight on a variety of factors that measure quality in some way (including recommendations from family and friends,

[318] In response to our working papers, Linnaeus and CVS submitted that asking customers about past behaviour up to 10 years ago is likely to result in recall bias, and Linnaeus submitted that the choices respondents made up to 10 years ago are less likely to be relevant to the current market given the changes in FOP ownership structure and care over the last 10 years. Linnaeus response to working papers, Annex 2, pp3-4; CVS response to working papers, Annex 1, p2. Noting these submissions, we have also considered response rates based on only those respondents that reported choosing a FOP in the past two years. However, notwithstanding potential recall biases and changes in market structure, we consider that responses made about choices made more than two years ago are still relevant to inform our understanding of the market. We have therefore considered and presented response rates based on both groups of respondents. Table 8.1 therefore presents results based on both groups of respondents. Overall, results do not differ significantly between these two groups.

their impression of the practice, staff or website, the services offered by FOPs, and online reviews), there is scope for pet owners to stimulate competition between FOPs on some aspects of quality. However, consumers face difficulties in effectively judging and comparing clinical quality, as discussed below. These difficulties are likely to limit the effectiveness of competition between veterinary businesses on quality.

(c) Practice ownership may also be an important consideration for some pet owners in their choice of FOP. 21% of respondents reported considering practice ownership when choosing a FOP. Of these respondents, 68% preferred independent practices, with the remaining 32% preferring LVG practices.[319]

Many FOPs do not supply information on prices and ownership that would enable pet owners to make informed choices

8.19 In this section we set out evidence indicating that pet owners are unable to make effective comparisons between rival FOPs, because FOPs do not publish comparable pricing information, and because four out of the six LVGs do not transparently describe that their FOPs are part of a large group. This evidence supports our provisional assessment above that pet owners cannot make informed choices between FOPs, which, in turn, is likely to dampen effective competition between veterinary businesses.

Price information

8.20 We provisionally find that price information is not consistently made available to pet owners by FOPs. Where information is made available, the format, inclusions or level of detail differs between practices. Most practices only publish prices for the most basic, simple treatments, and these are not published consistently. We provisionally find that, as a result, pet owners are unable to effectively compare between FOPs on price and may not be aware of material price differences between FOPs, despite the fact that some pet owners may prefer a lower price value proposition (that still meets a basic level of professional standards, as set and enforced by the RCVS).

8.21 The variety in the amount of pricing information that is available and lack of uniformity in the presentation and definition of treatments and services appears to have two main consequences. First, it may make it difficult for pet owners to compare prices of specific treatments between FOPs and discover the price differences that may exist. Second, it may make it difficult for pet owners to estimate and compare expected future costs over a pet's lifetime. We have not

[319] Pet owners survey, Q13.

identified any tools available to help pet owners make price comparisons across the extensive range of medicines and services offered by different FOPs.

CMA research of online pricing information

8.22 Our own research of vet practice websites indicates that there has been an increase in online price transparency for a limited, basic set of services between February 2024 and June 2025, during the CMA's market review and our market investigation. However, significant improvements would still need to be made for pet owners to compare prices between FOPs effectively, both in the number of FOP websites that have online pricing information, and in the amount, type and presentation of pricing information that is provided (particularly for services and products such as medicines, referrals and cremations).

8.23 In February and March 2024, we checked 2,552 UK vet practice websites (58% of all UK vet websites, including both independent and LVG-owned FOPs) and found that 84% of those practices had no pricing information.[320] In May 2024, the British Veterinary Association (**BVA**) issued guidance to veterinary professionals to present prices for frequently offered services, to 'address CMA concerns on transparency and client choice'.[321]

8.24 In May and June 2025, we conducted a second review of a randomly selected sample of 1,184 FOPs, representing around 27% of the FOPs in the UK that we are aware of, and selected to include a statistically robust number of LVG, mid-tier and small independent FOPs, and FOPs in each of the nations of the UK.[322]

(a) We found that 98% of FOPs from this sample had working websites. 1% had no online presence and 1% only had a Facebook page.[323] 59% of the practices in the sample had price information for at least one service. The proportion of sites with prices varied significantly by provider, as set out in Table 8.2 below.

(b) Since February 2024, there has been a significant increase in the provision of prices on FOP websites, as set out in Table 8.2. Around half of the FOPs sampled were also reviewed during our first website review. Some online price information was introduced at 46% of these FOPs since February 2024, up from 14% to 60% of websites.

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[320] Final report of the consultation, p30.
[321] New BVA guidance helps profession address CMA concerns on transparency and client choice | British Veterinary Association.
[322] Random samples were selected from each of the following strata within the CMA's total list of FOPs in the UK: 100 FOPs in each of Northern Ireland and Scotland; 100 FOPs from each of the six LVGs in England and Wales; every FOP (n=84) from a 'mid-tier' veterinary business, ie a group with more than 10 FOPs; and 300 FOPs from 'small' veterinary businesses in England and Wales, ie a group with less than 10 FOPs.
[323] We found that 7 FOPs were permanently closed and dropped these from the sample.

Table 8.2: FOPs with online treatment prices

Sample:	*All FOPs reviewed in May/June 25*		*FOPs reviewed in both May/June 25 and Feb/March 24*		
	% of FOPs with some prices	*Number of FOPs reviewed*	*% of FOPs with some prices in May/June 25*	*% of FOPs with some prices in Feb/March 24*	*Number of FOPs reviewed*
All parties	**59%**	1170	**60%**	**14%**	591
All independents	**49%**	462	**42%**	**17%**	179
'Small' independents	43%	395	40%	18%	169
'Mid-tier' independents	70%	84 (all websites)	61%	0%	18
All LVGs	**68%**	691	**68%**	**13%**	404
Vet Partners	97%	115	95%	11%	57
Medivet	94%	101	100%	0%	41
Linnaeus	80%	102	83%	21%	63
Pets at Home	75%	113	74%	0%	94
IVC	62%	149	71%	39%	80
CVS	1%	111	1%	3%	69

Source: CMA analysis.

8.25 While the proportion of FOPs with pricing information for at least one service has increased, there are still significant improvements that could be made to the pricing information that is available. Many websites publish a relatively small number of treatment prices: of those FOPs with at least one published price, 88% listed the prices of 30 or fewer treatments, 58% listed the prices of 20 or fewer treatments and 8% listed the prices of 10 or fewer treatments. The price information we have seen typically includes some standard services, but this differs across FOP websites, as set out in Table 8.3 below.[324]

Table 8.3: Type of treatment prices available on FOP websites

Type of treatment	*Percentage of FOPs with treatment prices (of FOPs that had at least one price)*
Initial consult	96%
Vaccination prices	94%
Neutering prices	90%
Repeat consultations or re-examinations	79%
Microchip prices	66%
Written prescription prices	52%
Nurse consultations	35%
Routine dentistry prices	13%
Flea, worm or tick treatment prices	2%
Dispensing fee for packages	1%
Dispensing fee for injections	1%

Source: CMA analysis.

8.26 We note that the almost complete lack of transparency and comparability of prices for more complex services could, in theory, give FOPs the opportunity to attract pet owners based on cheaper initial services (in comparison to other FOPs), before selling more complex and less easily comparable services at a higher price. However, to date we have not seen significant evidence about whether this

[324] Additionally, we found evidence of pet care plans on 86% of websites. 92% of these websites also included the price of the plan.

approach is commonly used, or particularly effective in attracting customers. Evidence and submissions include the following:

(a) One independent practice [✂] submitted that it was common practice for a few items to be headline loss leaders (such as vaccination or neutering)[325] – we heard similarly from our roundtable with vets who had recently set up a practice.[326] However, we have also been told that some FOPs that do offer particularly cheap basic services (including neutering services),[327] cannot be loss leading because those particular FOPs do not offer a wider range of services.

(b) A 2022 LVG [✂] document discussing consumer research notes that price is important when choosing a vet practice, in contrast to its lack of importance once a client is *using* a veterinary practice. The document notes that this finding 'supports the heavy discounting applied to new client procedures (eg neutering, vaccinations etc.)'.[328]

8.27 The presentation of price lists differed from practice to practice, with some websites presenting a price range or minimum price. Across all types of treatment prices that we reviewed, 87% were presented as itemised fixed costs. However, for dog neutering prices (which can vary by weight), only 33% were presented as fixed prices, with 46% presented as a minimum (eg 'from £X') and 18% as a range.

8.28 Only 33% of websites with treatment prices included explanatory notes on additional fees or inclusions and exclusions. For example, some websites noted that the price of neutering procedures include pain relief and post operation checks.[329] Even where additional fees or inclusion and exclusions were noted, how much pet owners would have to pay was not always specified. For example, treatment prices were in some cases listed as 'procedure only fees' without any indication of additional fees,[330] and in other cases websites noted that additional costs may be added for 'post-operative medication and wound protection'.[331] This variation in inclusions and presentation may make it difficult for pet owners to compare prices between practices, including because pricing conditions such as 'procedure-only' may not be clear to pet owners or may vary between practices.

8.29 The location of treatment prices on FOP websites varied. 28% of those FOPs with treatment prices listed them on their website homepage, but for 45% of these

[325] Independent response to RFI1, Q5. [✂]
[326] Summary of vets who recently set up a practice roundtable discussion, paragraph 8.
[327] RCVS, Review of 'under care' and 24/7 emergency cover, consultation report, 20 January 2023, p45. Our working paper on the Regulatory framework covers submissions on LSPs in detail.
[328] LVG response to RFI3, Q22. [✂]
[329] See pricing information on Easipetcare (accessed June 2025).
[330] See pricing information on Medivet Bracknell Harmans Water (accessed June 2025).
[331] See pricing information on Larkmead (accessed June 2025).

FOPs treatment prices were listed towards the bottom of the homepage and required (sometimes extensive) scrolling to find them. Out of the remaining 72% of FOPs where pricing information was not on the homepage, we found that 8% (or 6% of all websites with prices) provided pricing information on a page that would not be obvious for a pet owner to locate. Examples of this include pricing information only appearing under other headings such as 'Frequently Asked Questions'[332] or 'Visiting us',[333] or pricing links being difficult to locate from the practice home page.[334]

Other evidence on pricing information availability

8.30 LVGs submitted that the price information their FOPs provide, both online and in person, varies significantly between locations based on individual practice policies. Evidence submitted by independent vet practices also demonstrated this variability. A summary of this evidence can be found in our working paper, How people purchase veterinary services, paragraphs 5.33 to 5.35.

Ownership information

8.31 We provisionally find that, for four of the six LVGs, pet owners are often unaware that their local vet practice is part of a large group.

8.32 This lack of awareness could give customers the illusion of choice and competition. For example, when choosing a vet, a consumer may think they have compared different options in their local area and believe that they have assessed prices from rival FOPs, without realising that they might all be owned by the same company.

8.33 Pet owner awareness of practice ownership appears to be limited, with a significant proportion of pet owners misunderstanding who owns their FOP.

(a) Approximately a quarter (24%) of respondents to our pet owners survey reported that they did not know whether their practice was part of a large group of practices (ie an LVG), part of a small group of practices or an independent. Less than half (47%) of respondents that we confirmed to be clients at LVG practices were aware that their practice was part of an LVG,[335] with 23% reporting that they were unsure and around a third of these LVG

[332] See pricing information on Wilbury Vets (home page) and Wilbury Vets - Frequently Asked Questions (accessed June 2025).
[333] See pricing information on Wallace Vets (home page) and Wallace Vets – Visiting Us (accessed June 2025).
[334] See pricing information on Parkside Vets (accessed June 2025). Click on 'Our Charges' link at bottom of the home page.
[335] Respondents were asked for the name and address of their practice. These details were used to match to existing lists of practices with corresponding ownership status. Where name/address details were mis-spelled or lacking information, internet searches enabled further matches. In the few cases where matches were not possible, these were labelled as 'uncodeable'. In the few cases where the practice was found to be out of scope, the full participant record was deleted from the dataset.

clients reporting that their practice was either an independent (9%) or part of a small group of practices (21%).

(b) Reflecting the different branding models of the LVGs, most respondents at practices owned by Pets at Home (84%) and Medivet (73%) were aware that their practice was part of a large group, but only a minority of respondents at practices owned by Linnaeus (36%), CVS (33%), IVC (22%) and VetPartners (19%) were aware of this fact.[336, 337]

(c) Evidence from our qualitative pet owner research indicates that most pet owners did not know, with any certainty, the ownership status of their veterinary practice.[338]

8.34 This lack of awareness of FOP ownership reflects the fact that LVGs take different approaches to communicating their ownership.

(a) IVC, Linnaeus and VetPartners retain the name and branding of the independently owned practice or small chain they have acquired. CVS had a similar policy until recently, when it started adopting uniform 'Vet Collection' branding across practices online.[339] CVS now lists all its FOPs on one page of its Vet Collection website.[340] Despite this online change, pet owners at CVS practices may still be unaware that their FOP is part of a national chain. It is unclear the extent to which CVS has adopted uniform branding in physical practices, or whether it has proactively advised its existing customers of this online rebranding or of CVS group ownership. Medivet and Pets at Home have operated under uniform branding for a significant period of time.

(b) Our qualitative research with vet professionals found that vets do not prioritise communicating ownership changes to customers. Most vets working for certain LVG-owned practices reported that their practice name reflected corporate ownership, while others noted branding was not consistently reflective of practice ownership. A few veterinary professionals reported that clients did not always notice, at least initially, when practices changed

[336] Pet owners survey, Q34. Q34 asked 'Do you know whether your current vet practice is part of a large group of many practices or whether it is an independent vet practice or part of a small group of practices?'.
[337] In response to our working papers, CVS submitted that many respondents may be aware that their CVS vet is part of a group, but not whether it is a 'small' or 'large' group, and that these respondents would not have had the chance to identify the correct owner of their practice. CVS response to working papers, Annex 1, p5. However, we note that the option for 'large group of vet practices' directly listed the six veterinary businesses that we define as LVGs, including 'CVS Group'. We also note that this survey was conducted in November 2024, and that CVS only recently started rebranding its practices online under its 'Vet Collection' brand. We therefore consider that respondents who selected 'don't know' or 'it is part of a small group of practices' can be accurately described as being unaware that their practice was owned by CVS.
[338] Qualitative consumer research with pet owners, p5.
[339] CVS IS Response, p6.
[340] See: Find Your Nearest Veterinary Practice | The Vet Collection. CVS ownership is stated in small font at the bottom of the Vet Collection website: "The Vet Collection" is a trading name of CVS (UK) Limited: a company registered in England and Wales.

ownership. A few vets mentioned not correcting clients about the ownership status of their practice because they did not feel it was a priority. A few vets said that after a change in ownership they were discouraged from mentioning the changes, or were encouraged to make it look as though everything had stayed the same.[341]

8.35 We note that internal documents indicate that at least some LVGs make decisions to brand their business in a way which does not clearly identify the corporate owner. For example:

(a) A 2023 LVG [✂] document outlining potential branding approaches discusses the pros and cons of maintaining 'local branding' (keeping the previous name from when the practice was independently owned) versus using the LVG [✂] brand. The document recommends that the LVG [✂] retains local branding, as it believes there are significant risks in upsetting loyal clients and employees by introducing [✂] branding, as replacing the locally recognised brand has the 'potential for clients to think underlying business has changed'.[342] The LVG [✂] responded to our working paper to confirm that this is the branding approach it continues to take but that it 'takes steps post-acquisition to update websites and waiting rooms of the practices it acquires to make clear that it is part of the LVG [✂] group'.[343]

(b) An LVG [✂] board report from October 2022 reports on consumer research indicating that customers place value on independents over 'chains', which customers describe as impersonal and untrustworthy. When testing various brand propositions, the document finds that most respondents believe the LVG [✂] is a collection of vets, rather than a chain.[344]

8.36 In addition, consumers may have views on the importance of practice ownership (that is, whether it is an independent or LVG practice). Without awareness of practice ownership, pet owners may be unable to express these preferences via their choice of FOP.

(a) 21% of respondents to our pet owners survey reported considering practice ownership when choosing a FOP. Of these respondents, 68% preferred independent practices, with the remaining 32% preferring LVG practices.[345]

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[341] Qualitative research with veterinary professionals, pp96-97.
[342] LVG response to RFI3, Q15. [✂]
[343] LVG [✂] response to February 2025 working papers.
[344] LVG response to RFI3, Q26. [✂]
[345] Pet owners survey, Q13.
For those that preferred independent practices, the top reasons given were individual vet continuity (56%), individually tailored service (50%), overall quality of service (46%) and trust in their vets' advice (40%). Pet owners survey, Q22. More than one answer could be given, so percentages sum to more than 100%.
By comparison, for those that preferred LVG practices, the top reasons given were appointment availability (55%), the range of services available (42%) and prices (21%). Pet owners survey, Q23. More than one answer could be given, so percentages sum to more than 100%.

(b) The relevance of practice ownership was also noted in our qualitative research with veterinary professionals, with some vets at independent practices saying that their independent status was a key selling point for pet owners.[346] Similarly, at our roundtable with those who had recently set up practices, some attendees felt their reputation as independents helped them attract clients.[347]

Pet owners face barriers to effectively comparing FOPs' quality

8.37 In this section, we discuss measures of quality and set out evidence on the barriers that make it difficult for veterinary businesses to measure and communicate quality and that prevent pet owners from being able to effectively compare between FOPs on the basis of quality. This evidence indicates that:

(a) Pet owners face inherent challenges in comparing aspects of clinical quality, given that they are usually non-experts.

(b) Standardised metrics used to measure clinical and non-clinical quality are not sufficiently complete, objective or comparable to support pet owners to make informed decisions on the basis of quality.

(c) While veterinary businesses typically provide some information regarding the services they offer, LVG marketing of quality is typically carried out by local practices and is generally light touch and irregular, giving pet owners limited information with which to compare individual FOPs on the basis of quality.

8.38 Overall, this evidence supports our provisional assessment that pet owners face barriers to effectively comparing FOPs' quality, which, in turn, is likely to weaken competition between veterinary businesses.

Measures of quality

8.39 Quality in veterinary care is multifaceted. We have considered measurements of quality that can be divided into two broad areas:

(a) Clinical quality, which includes:

(i) Clinical inputs, such as the qualifications and experience of clinical staff, and the quality and breadth of available equipment.

(ii) Clinical outputs, such as the accuracy of diagnoses and whether treatments are performed successfully and with few complications.

[346] Qualitative research with veterinary professionals, pp96-97.
[347] Summary of vets who recently set up a practice roundtable discussion, p2.

(iii) The scope of clinical services offered, such as the range and complexity of treatments available within a given practice.

(iv) The ways in which vets engage with pet owners on how to diagnose and treat their pets. We consider this aspect of quality in part A, section 10.

(b) Non-clinical quality, which includes factors such as the friendliness of front-of-house and clinical staff, the ease of booking appointments, opening times, the strength of client relationships with individual vets and nurses, the quality of online support, and the appearance, comfort and convenience of practice facilities. While some of these inputs may impact clinical care (for example, separate waiting rooms for dogs and cats can increase the likelihood that pets are compliant during consultations), they are primarily relevant to the pet owners' experience, rather than clinical outcomes.

8.40 We consider each of these aspects of quality below, starting with clinical quality measures.

Veterinary businesses and the RCVS use a variety of approaches for measuring clinical quality, but these do not enable pet owners to compare effectively between FOPs

8.41 In this section, we set out evidence on (a) the lack of comparable metrics on clinical quality and (b) limitations with existing metrics. We consider this evidence supports our provisional assessment above that current measures of clinical quality do not help pet owners to compare between FOPs – and, in turn, do not drive competition between FOPs on clinical quality.

Views from market participants on clinical quality measures

8.42 In submissions and internal documents, market participants recognised the difficulties in creating one or more holistic, objective and comprehensive measures that pet owners could use to compare quality, and in particular clinical quality. For example:

(a) RCVS Knowledge, which aims to measure and improve the quality of veterinary care and is the charity partner of the RCVS,[348] submitted that measuring quality in veterinary care is not impossible, and many large practice groups carry out measurements of patient outcomes internally.[349] However this data is not routinely made available to the wider profession or

[348] RCVS Knowledge (2023) Annual report and accounts, p4.
[349] RCVS Knowledge IS response, p2.

to pet owners to help them to choose between practices or treatment options.[350]

(b) VetPartners submitted that in the veterinary sector, quality is difficult to measure in any structural and comprehensive manner, including because (i) the veterinary sector does not have an equivalent of the National Institute for Health and Care Excellence that sets clinical standards and that would allow for a standardised comparison of clinical outcomes between practices, and (ii) aim their marketing efforts at clients in their local markets, rather than by reference to any centrally determined set of features.[351]

(c) Pets at Home provided submissions on the difficulty of defining clear clinical quality metrics that pet owners can compare.[352]

(d) In responses to the CMA's issues statement, Which? submitted that it would be challenging to make objective assessments on the quality of veterinary care.[353]

(e) The BVA submitted that quality and outcome related measures are rarely available from clinical practice and that variability in case complexity, treatment protocols and patients makes it challenging to standardise quality measures.[354]

8.43 Notwithstanding these submissions above, all LVGs have told us that they report internally on a variety of clinical quality metrics. We consider these metrics below.

Current clinical measures of quality

8.44 The only general measures of clinical quality that apply across the industry are those set out in the RCVS's Practice Standards Scheme (**PSS**), which provides a quality framework of certain clinical standards for FOPs.[355]

8.45 Some LVGs submitted that they use the PSS to ensure clinical quality, particularly when acquiring new practices. For example:

(a) IVC submitted that it aimed to get all newly acquired practices to the level to pass the PSS, typically within a year.[356]

(b) VetPartners submitted that the PSS allows it to monitor and track the quality of all its FOPs, including acquired practices, on a number of standardised

[350] RCVS Knowledge IS response, pp3-4.
[351] Vet Partners response to the Business Models working paper, 21 March 2025, p15.
[352] Pets at Home IS response, p13.
[353] Which IS response, p2.
[354] BVA IS response, p4.
[355] We describe the PSS in detail in part A, section 14.
[356] IVC response to RFI17, Q31, pp31-32.

minimum quality metrics contained in the PSS. VetPartners submitted that it supplements RCVS regular inspections (every four years) with additional internal reviews every two years.[357]

8.46 We consider that the PSS has some potential to add value as a signal of quality (and relative quality) to pet owners, including via its 'core standards' accreditation[358] and its additional voluntary awards, which can be obtained by FOPs that prove they meet certain clinical standards. For example, accredited practices may feature RCVS Accreditation on websites with an explanation of the scheme or as a symbol on pamphlets and other marketing materials.[359]

8.47 However, as discussed in detail in part A, section 14, we observe a number of shortcomings in the PSS. These relate to its voluntary nature; the limited monitoring of the scheme's effectiveness; the limits of the substantive requirements that it imposes; its focus on inputs and processes, and the administrative burden it places on FOPs; and the limited extent to which it can be seen as a coherent scheme for indicating relative service quality.[360] There is also a low level of awareness and understanding of the PSS amongst pet owners. In our pet owners survey, only 7% of pet owners were familiar with the scheme.[361]

8.48 We consider that the administrative burden of the PSS means it favours larger firms, which can spread administrative costs more widely and can offer central group support to individual practices. Independent practices may receive less benefit from accreditation given the higher consumer perceptions of quality for independents, as described in part A, section 7.[362] For example, we have heard that some independent practices have left the scheme because it focused on 'tick box elements' and that they must meet core standards regardless of whether they are part of the scheme or not.[363] As a result, we consider that the currently higher rates of accreditation amongst LVG practices (as described in Appendix E)[364] do not accurately reflect higher levels of quality.

8.49 We note that the RCVS is currently undertaking a multi-phased review of PSS standards. As part of this, new consumer facing standards are being proposed for introduction in early 2026 and the PSS is expected to launch further enhanced standards after 1 October 2026. We understand that these reforms may lead to a more risk-based approach to evaluating practices while seeking to accommodate

[357] Vet Partners response to RFI17, Q31, p52.
[358] Meeting 'core standards' is a mandatory legal requirement for all UK veterinary practices.
[359] DNA Vet Care Website, RCVS Accreditation page, accessed 17 Jul 2025; Gower Vets - RCVS Accreditation page, accessed 17 Jul 2025.
[360] Set out in part A, section 14: Assessment of the PSS.
[361] Pet owners survey, Q122.
[362] Set out in part A, section 7: Table 1.3 (Pet owners survey net satisfaction scores on last vet visit)
[363] Remedies Working Paper discussion between the CMA and FIVP, p4, 20 June 2025.
[364] See Appendix E: PSS accreditation rates, by ownership

some concerns about the administrative and time burden involved for practice staff.

Internal business measures of clinical quality

8.50 All LVGs have also told us that they report internally on a variety of clinical quality metrics. The nature and details of these metrics differ significantly, but broadly they seek to measure factors such as clinical quality/outcomes, antibiotic usage, morbidity and euthanasia rates, staff metrics (including turnover, vet/pet ratios and nurse/vet ratios) and safety.[365]

8.51 LVGs also submitted evidence of recently introduced initiatives related to measuring clinical quality. For example:

(a) VetPartners submitted that it has started quality improvement work to record surgical outcomes after neutering procedures and in relation to antibiotic stewardship to avoid over-prescribing.[366]

(b) Linnaeus submitted that it introduced a Clinical Quality Scorecard in summer 2024, which combines various clinical quality measures to provide an overall score for quality at each of its FOPs.[367]

(c) [✂] provided evidence that its head office monitors each of its FOPs using various Key Performance Indicators including clinical indicators, such as pet compliance with vaccinations and flea and worm treatments, and antibiotics administered.[368]

8.52 None of these internal clinical measures enable veterinary businesses to compare effectively between their own FOPs and competitor-owned FOPs. Each LVG reports on different clinical metrics, and results are not published in a way that would enable comparison between LVGs. We are not aware of any independents publishing clinical measures. This means that there is no accessible information to help pet owners to compare FOPs' clinical quality in any meaningful way.

8.53 In this regard, RCVS Knowledge submitted that data collected by LVGs on patient outcomes is not routinely made available to consumers to help them assess value or to choose between practices, treatment options and veterinary professionals. RCVS Knowledge only collects clinical data on a voluntary basis[369] and submitted that barriers such as perceived time pressures in collecting data and a lack of

[365] LVG responses to RFI11 [✂][✂][✂][✂][✂][✂]. Our review of these responses indicates that one LVG [✂] collects and reports on less detailed metrics than the other LVGs.
[366] Vet Partners response to RFI17, paragraph 31.4; Vet Partners Optimising Surgical Outcomes Report, Feb 2025; Vet Partners Antibiotic Stewardship Report 2024.
[367] Linnaeus response to RFI17, footnote 10, p21.
[368] LVG response to RFI2, Q13 [✂]
[369] Some practices (including some part of LVGs) contribute data willingly to voluntary national initiatives such as the Canine Cruciate Registry and the National Audit for Small Animal Neutering which monitor surgical outcomes.

incentive to standardise the collection and recording of data mean that clinical data sharing cannot be universally achieved on a voluntary basis. [370] RCVS Knowledge submitted that without this data sharing, the large-scale population studies that allow clinical outcomes in human medicine to be evaluated are extremely rare in veterinary medicine.[371]

Pet owners face inherent challenges in comparing the clinical quality of FOPs

8.54 As discussed in part A, section 3, most pet owners are not experts in the clinical care of animals.[372] This means that even in a well-functioning market, it is likely to be inherently difficult for pet owners to assess aspects of quality of clinical care, even in retrospect. It also means that it is difficult for pet owners to choose a FOP on the basis of clinical quality, or to judge whether a price increase (or price difference) is justified on the basis of improvements to clinical quality. Pet owners' lack of clinical expertise also means it is difficult for pet owners to decide between different treatment pathways, as discussed in part A, section 10.

8.55 Despite these inherent challenges, pet owners are able to assess some aspects of clinical care. We consider that pet owners can provide meaningful assessments regarding the manner in which their vet conducts consultations, including whether and how they provide treatment options and discuss prices. In certain circumstances (such as vaccinations), pet owners may be able to assess the quality of care that their pet receives, and for many routine treatments, pet owners are likely to be able to understand and provide views on whether the treatment was successful or resulted in complications. Our pet owners survey provides some group-level pet owner satisfaction measures regarding these more measurable aspects of clinical care, as we summarise in part A, section 7.[373]

FOPs' marketing and disclosure of information about the clinical quality of their services is limited

8.56 Overall, evidence indicates that LVG marketing of quality is typically carried out by local practices and is generally light touch, containing little information that could allow pet owners to assess and compare quality of different FOPs.

8.57 We consider this evidence supports our provisional assessment above that there are barriers to pet owners being able to effectively compare FOPs' quality.

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[370] RCVS Knowledge IS response, pp. 3-4.
[371] RCVS Knowledge IS response, p4.
[372] Set out in part A, section 3: 'Pet owners cannot easily judge quality; they need to rely on veterinary experts and to trust in their vets'.
[373] Set out in part A, section 7: 'Our pet owners survey indicates that consumers are more satisfied with the quality of vet services at independent FOPs compared to LVG-owned FOPs'.

8.58 One barrier preventing pet owners from comparing clinical quality is the low level of awareness and understanding of the RCVS' PSS amongst pet owners. In our pet owners survey, only 7% were familiar with the scheme.[374] Of the small proportion that were familiar with the scheme, 64% said that it did not affect their choice of veterinary practice.[375]

8.59 It would be difficult for a pet owner to use the RCVS 'Find A Vet' webpage, as it currently stands, to make an informed choice between FOPs. It allows pet owners to search for vet practices, surgeons and nurses and there is basic information on the registration status of vets and vet nurses, practice opening times, the type of animals treated and whether or not a practice is RCVS accredited (and to what level. 'Find A Vet' has on average 85,807 total users per month. An average of 17,143 users per month search for veterinary practices, with 15% of these users (or 3% of all users) searching specifically for accredited practices.[376]

8.60 Another barrier to pet owners being able to compare FOPs' clinical quality effectively is the lack of clear and comparable quality information marketed to them. In our review of LVG internal documents, we have not identified any evidence of policies that are specifically designed to disclose standardised quality information as part of marketing, in a way that would enable pet owners to compare quality metrics against alternative options. We have also not seen any evidence indicating that independent practices have any such policies. One LVG's [✂] internal content guide stated that 'people are not using our websites for educational purposes' and do not want to read clinical or surgical content. It recommends that websites cut down on content and move towards 'navigational not educational' material.[377]

8.61 Evidence suggests that the nature of marketing by LVGs is largely determined by whether it is carried out at a local, regional or national level. National level marketing tends to be more systematic, while local can be more irregular. Evidence indicates that this is also true of marketing on the basis of quality.

8.62 Appendix F describes different LVG marketing strategies, whether predominantly national or local. Overall, this indicates that while LVG FOPs undertake some light marketing on inputs that impact clinical quality (for example, by saying they offer certain procedures, or publishing biographies about their clinical staff), they do not effectively explain to pet owners how or why they provide a higher quality of care.

8.63 The evidence we have reviewed from LVGs is similar to the evidence from our qualitative research with veterinary professionals.[378] Most veterinary surgeons

[374] Pet owners survey, Q122.
[375] Pet owners survey, Q123.
[376] RCVS letter to the CMA, 2 December 2024. [✂]
[377] LVG response to RFI3, Q22 [✂]
[378] Qualitative research with veterinary professionals, research report, January 2025, p94-95.

reported that they did not do much proactive marketing. The most common examples of marketing were social media pages with veterinary professionals typically reporting that their practice relied on word of mouth to increase custom. This was the case across LVGs, small groups and independent practices.

Measures of customer satisfaction

8.64 Our provisional view is that many aspects of quality are observable by pet owners, including almost all of the non-clinical inputs described above, as well as some (more limited) aspects of clinical care. In this section, we consider the ways in which customer perceptions of quality can be captured, and their potential as information for helping customer choice.

8.65 We have identified three principal measures of customer perceptions of quality,[379] which we consider in turn below:

(a) Online reviews on platforms such as Google, Facebook, Yelp or Trustpilot, in which customers can post a review covering any aspect of their experience of a veterinary practice. Most sites hosting such reviews have a rating system which provides an overall metric for satisfaction.

(b) Net Promoter Scores, a widely used quality measure among LVGs, in which a metric is derived from customer responses to a question asking how likely they are to recommend the practice to a friend or colleague. The question can be asked either by periodically surveying a FOP's customer base or by sending the question to customers after visiting the practice.

(c) Bespoke customer surveys conducted on a wide range of customers, such as our pet owners survey. This survey identified recent customers of FOPs through invitation letters sent to a random selection of postal addresses across the UK and included a suite of questions about their satisfaction with different aspects of quality (care, advice, service and outcome)[380] when they last visited their FOP.

Online reviews

8.66 Online reviews may provide customers with useful information about FOPs in their local area and may be the only source of information about quality that is available online beyond that which is provided by the FOPs themselves. In our pet owners

[379] Recommendations from friends and family may be an indicator of relative quality based on people's experience as customers of different practices. However, these do not allow comparisons to be made across a wide range of vet practices.
[380] Pet owners survey, Q55b. The question asked was: 'On this occasion, how satisfied were you overall with: (i) the information and/or advice you received; (ii) the care given to your pet; (iii) the quality of the service you received; (iv) the outcome of your visit; and (v) the cost of the service.' The response options were: 'Very satisfied', 'Fairly satisfied', 'Neither satisfied or unsatisfied', 'Fairly unsatisfied', 'Very unsatisfied', 'Not applicable' and 'Don't know/don't remember'.

survey, 19% of respondents cited online reviews as a reason for choosing their FOP.[381]

8.67 However, the posting of online reviews is very inconsistent, with the number, location and recency of reviews varying greatly between FOPs. This may result in customers basing choices on a very small number of reviews, which may not be reliable or typical of customer experiences. In addition, businesses can incentivise positive reviews or encourage customers who are likely to give positive reviews which means that the sample of customers who respond is unlikely to be representative. Online review platforms are also prone to fake reviews, with Trustpilot removing 2.2 million of these in 2020.[382]

Net Promoter Score

8.68 Net Promoter Score (**NPS**)[383] is the most widely used measure of quality amongst LVGs. All LVGs provided evidence that they track NPS or a very similar metric.[384] For example, Medivet submitted that NPS allowed it to track FOP ratings broken down by specific categories (such as primary care, emergency care and vaccines), the member of staff providing the service, and the pet owner experience in terms of affordability, wait time and competence.[385]

8.69 Two LVGs submitted analysis indicating there is a link between NPS and certain internal metrics such as customer switching and number of vet visits. CVS submitted an econometric analysis to show that lower NPS scores are associated with greater levels of customer switching, and stated that this indicated that customers will act on their perception of quality.[386] An LVG [✂] annual number of visits to the vet, and stated that while it does not see NPS as a valuable external differentiator, it uses NPS internally to identify where quality improvements are needed.[387]

8.70 We assess CVS and [✂] analyses in detail in Appendix F and find that they indicate there may be a correlation between NPS and (a) customer switching, (b) [✂] and (c) annual number of visits to the vet. In other words, customers who give higher NPS ratings may be less likely to switch FOPs, [✂] and attend the vet more often. We consider this supports the view that customers care about quality and

[381] Pet owners survey, Q13.
[382] Trustpilot removed 2.2 million bogus reviews in 2020 - BBC News.
[383] NPS measures customer perception by asking customers how likely it is that they would recommend a given service to a friend/colleague. NPS scores are measured with a single survey question 'How likely is it that you would recommend [Organisation X/Product Y/Service Z] to a friend or colleague?'. The NPS score is calculated in a consistent way across businesses however surveys may be administered in different ways.
[384] CVS Response to RFI3, Q22; IVC Response to RFI 17, Q34, pp 37-38.; Vet Partners Response to RFI 17, Q34, p 59.; Pets at Home Response to RFI 17, Q34, pp 17-18.; Linnaeus Response to RFI 17, Q32, p 22.; Medivet Response to RFI 17, Q34, pp 44-45.
[385] Medivet Response to Working Papers p26.
[386] CVS response to the February 2025 working papers, Annex 4.
[387] LVG [✂] response to the February 2025 Working Papers, [✂]

that some customers may act on perceptions of quality when choosing vet services or considering whether to switch FOPs.

8.71 However, NPS is not designed for the purpose of enabling customers to compare quality between different providers. For this purpose, it has some important limitations:

(a) It is a single measure and therefore provides limited information about customer experience.

(b) The rating scale of 1 to 10 for the NPS question is not well defined and interpretation of responses for the calculation of the NPS score is therefore somewhat arbitrary.

(c) There is considerable variation in the methods used by LVGs to collect NPS data. As a result, different scores may reflect methodological differences, rather than differences in underlying customer satisfaction.

(d) Even with standardised methods, comparability may be compromised by opportunities to manipulate responses, eg by encouraging obviously satisfied customers to participate, and not prompting complainants.

Customer surveys

8.72 Some surveys are designed specifically for the purpose of measuring customer satisfaction, among other things, in the veterinary market.

8.73 CVS provided evidence of two ad hoc consumer surveys conducted in 2022.[388] These were conducted by sending survey questionnaires by email to customers with links to online questionnaires.

8.74 Our pet owners survey involved customers of FOPs across the UK and not veterinary businesses themselves. Such surveys are designed to inform customer choice by providing comparisons of customer-based perceptions of quality across providers, and are used in other markets. For example, the Retail Banking Service Quality Indicator Surveys formed part of the package of remedies from the CMA's Retail Banking Market Investigation and have run continuously since 2017. In the same market, Money Saving Expert runs a customer survey of banks' service quality.[389]

[388] The Consumer Survey was an electronic survey sent to 2,000 CVS registered clients by email, covering areas such as: how much owners spend on pets; what clients value; clients' views on the price of veterinary care and how clients choose referrals. The Consumer Brand Survey was sent to consumers using an online survey platform to gauge their reaction to CVS' new branding for veterinary practice services, the Vet Collection. CVS response to RFI3, Q22, p4.
[389] Money Saving Expert, How do you rate your bank account's service?

8.75 Another relevant example is the NHS's Friends and Family Test, which aims to identify what is working well and to improve the quality of patient experience.[390] It is a contractual obligation for NHS services to make the test available to its patients and to submit the data to NHS England. All services are required to ask the same question, followed by an open text question designed by the service.[391] Feedback requests can be made from a range of methods (eg feedback cards, online link, text message). Total responses are published monthly by the percentage of positive and negative responses by each type of service.[392] Services are also encouraged to publish patient feedback locally.

8.76 Compared to other measures in the veterinary industry, our pet owners survey provides the most comparable and robust satisfaction measures across a range of key aspects of quality (as well as cost), as experienced by customers. However, the logistics and running costs of such a survey mean that we have measured customer satisfaction at LVG level, rather than that of individual FOPs, and the results for independent FOPs can only be reported as averages for customers of all such FOPs.

Many pet owners do not consider multiple options or seek out price and quality information when choosing a FOP

8.77 In a well-functioning market, we would expect that most consumers would benefit from carefully considering their options when first choosing a FOP and that they would be able to access the information to do so. However, our provisional view, described in detail above, is that pet owners cannot effectively compare between FOPs regarding key competitive measures – including price, quality and ownership – because of a lack of available and comparable information.

8.78 In this context, we observe that, even though some do,[393] a significant proportion of pet owners do not actually consider multiple options when first choosing a FOP, and do not seek out information on price and quality. We consider evidence on each of these points below.

Consideration of multiple options when choosing a FOP

8.79 In our pet owners survey, 51% of respondents said that they only considered one practice when choosing a FOP. 29% said that they considered two practices and

[390] NHS England » Friends and Family Test
[391] The mandatory question is: 'Overall, how was your experience of our service?' The response scale is: very good; good; neither good nor poor; poor; very poor; don't know. Open text question designed by the service include, for example, 'Please can you tell us why you gave your answer?' Or, 'Please tell us about anything that we could have done better'. Two further questions are also asked, capturing experiences of involvement in decision making, and dignity and respect.
[392] NHS England » Friends and Family Test data.
[393] Which, in our provisional view, is an indicator of the relevance and value of considering multiple options and prices.

15% said that they considered three or more practices.[394] Of those respondents that chose a FOP in the last two years,[395] these rates were 46%, 29% and 19% respectively.[396]

(a) Of those respondents that chose a FOP in the past 10 years and only considered one practice, 24% felt that they did not have a choice of practices to compare (this is 9% of all respondents to the survey).[397]

(b) The majority (66%) of respondents that did not consider multiple practices said they felt they *did* have a choice.[398] These pet owners selected a wide range of reasons for their lack of comparison, including 'I was happy with my choice' (50%), 'I didn't think there would be much difference between practices' (18%) and 'I thought most practices charged very similar prices' (14%). 15% of respondents said that they just did not think about comparing options.[399]

Engagement with price information when choosing a FOP

8.80 Only around 40% of all respondents to our pet owners survey reported that they found out pricing information before registering with their FOP. This group includes both those respondents that said they considered prices as a factor when choosing a FOP, as well as those that did not say they considered prices as a factor but nevertheless found pricing information before registering.[400, 401]

(a) The proportion of respondents that found pricing information before registering was higher for those respondents that said they compared different FOPs (50%), and lower for those respondents that said they did not

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[394] Pet owners survey, Q12b. This question was only asked of respondents who had been with their current FOP for less than 10 years. The remaining 6% of respondents could not recall.
[395] As noted above, in response to our working papers, Linnaeus and CVS submitted that asking customers about past behaviour up to 10 years ago is likely to result in recall bias, and Linnaeus submitted that the choices respondents made up to 10 years ago are less likely to be relevant to the current market given the changes in FOP ownership structure and care over the last 10 years. Linnaeus response to working papers, Annex 2, pp3-4; CVS response to working papers, Annex 1, p2. Noting these submissions, we have also considered response rates based on only those respondents that reported choosing a FOP in the past two years. However, notwithstanding potential recall biases and changes in market structure, we consider that responses made about choices made more than two years ago are still relevant to inform our understanding of the market.
[396] Pet owners survey, Q12b. The remaining 6% of respondents could not recall.
[397] Pet owners survey, Q12c.
[398] Pet owners survey, Q12c.
[399] Pet owners survey, Q12e. More than one answer could be given, so percentages sum to more than 100%.
[400] Pet owners survey, combination of Q13 and Q15. In response to Q15, 54% of respondents reported that they did not find out prices, and 6% could not recall.
[401] In response to our working papers, Linnaeus submitted that considering insured pet owners in this statistic is likely to significantly understate the awareness of price amongst those that pay and therefore understate the degree of competition in the market. Linnaeus also noted that the pet owners survey appears to oversample pet owners with pet insurance. Linnaeus response to working papers, Annex 2, p7.
However, we do not consider that insurance coverage is a limiting factor on the accuracy of responses to this question – or other questions regarding price. Insurance typically covers pet owners for a proportion of non-routine treatment costs and our review of FOP website price transparency has indicated that most practices display prices only for routine treatments and services and therefore insurance coverage would not impact the pet owner's sensitivity to these costs. We also note that many pet owners choosing a FOP for the first time are unlikely to already have insurance when making this decision.

compare FOPs (31%).[402] Out of all respondents that chose a FOP in the past ten years, only 22% both considered multiple options *and* accessed pricing information before registering.[403]

(b) The proportion of customers that reported finding out pricing information before registering with their FOP was somewhat higher (48%) when considering only pet owners who had been with their vet practice for less than two years.[404]

(c) Of those that did report obtaining prices, the most common methods of receiving this information were online (29%), by phone (29%), in-person (19%) and via word of mouth (18%).[405] We consider that for many pet owners obtaining and comparing prices by phone or in-person is likely to be more difficult and time-consuming than comparing prices online.

8.81 Respondents reported finding out about some types of prices more commonly, while only a very small proportion reported finding other types of prices before registering with their FOP. The most commonly accessed prices were vaccinations (28% of all respondents that chose a FOP in the last ten years said they found out vaccination prices before registering with their FOP), followed by routine consultations (25%), flea and/or worming medicines (19%), neutering (15%), emergency consultations (8%), prescriptions (8%) and other (non-flea and worming) medicines (2%).[406]

8.82 Of the respondents that reported *not* comparing prices, the majority said that this was because they did not feel they needed to, while a minority mentioned difficulty finding information as a barrier to comparison.[407] Of the respondents that reported comparing prices, 44% reported finding it fairly or very easy to find comparable pricing information for different practices, while 32% reported finding it fairly or very difficult.[408]

Engagement with information on quality when choosing a FOP

8.83 Evidence from our pet owners survey indicates that many consumers do not take into account objective or clinical quality measures when choosing a FOP. In particular:

[402] We consider that both these groups of respondents are relevant to understanding demand for price information, so have focused on combined rates across all respondents in the remainder of this section.
[403] Pet owners survey, Q12b, Q13 and Q15.
[404] 46% of these respondents reported not finding out prices, with the remaining 6% being unsure.
[405] Pet owners survey, Q16 and Q17.
[406] Pet owners survey, Q18.
[407] Pet owners survey. Indicative finding (small base size; n = 80). Q19b, I didn't feel I needed to 51/80; I wanted to but found it difficult to find information 12/80.
[408] Pet owners survey, Q20. 10% found it very easy, 35% found it fairly easy, 27% found it fairly difficult, and 5% found it very difficult.

(a) Only 26% of respondents to our pet owners survey reported considering 'services offered' as a reason for choosing their FOP.[409] Of these respondents, most found details about these services on the practice website (54%).[410]

(b) 44% of respondents reported considering recommendations, and 19% reported considering online reviews, both of which are likely to provide a consumer-based assessment of quality.[411] However, as noted above, our provisional view is that such consumer-based quality assessments are unlikely to be representative of objective quality standards given the information asymmetry that exists between veterinary professionals and pet owners.

Pet owners have a low propensity to switch FOPs even when they could obtain a better price or quality offering elsewhere

8.84 In this section, we set out evidence on switching rates and pet owners' propensity to switch. First, we find that pet owners rarely switch between FOPs, with annual switching rates being around 3% to 6%.

8.85 We then set out evidence on barriers to switching FOPs. We focus on two types of factors that are likely to limit propensity to switch: those that are likely to exist in a well-functioning market and those that we would not expect in such a market.

8.86 Below, we consider:

(a) current rates of switching and the reasons that pet owners switch FOPs, and

(b) barriers to switching.

Current rates of switching and reasons for switching

8.87 Evidence indicates that around 3% to 6% of pet owners proactively switch FOPs annually. In Appendix F, we consider switching rate estimates in detail based on two sources: our pet owners survey and data from insurers.

8.88 We also consider switching rate benchmarks in Appendix F. The switching rates we observe are lower than switching rates in common household utilities but comparable to switching rates in other trust-based sectors. However, these comparisons appear to us to offer limited value. Customers of other services may

[409] Pet owners survey, Q13.
[410] Pet owners survey, Q21.
[411] Pet owners survey, Q13.

face different switching barriers and may obtain more or less value from remaining loyal to their existing provider or from switching providers.

8.89 Evidence from our pet owners survey and LVG internal documents indicates that pet owners who switch do so for reasons related to location, quality of care, pricing and relationships with vets. However, only a small proportion of all respondents reported switching in response to price or other aspects of a practice's competitive offer.

8.90 In order of frequency, respondents to our pet owners survey listed the following top five reasons for switching: 'I moved home' (36%); 'I was unhappy with the quality of care of my previous vet practice or individual vet' (25%); 'I was unhappy with the advice/recommendations of my previous vet practice or individual vet' (19%); 'I wanted cheaper prices' (13%); and 'I wanted to move to an independent vet practice' (8%).[412] This is consistent with evidence from some LVG internal documents.[413]

8.91 However, of all respondents to our pet owners survey, only a small proportion reported switching in response to price or other aspects of a practice's competitive offer. Of all respondents that had been with their vet for less than ten years, 10% reported switching in the past ten years in response to the quality of care they received, 8% reported switching in response to the quality of advice they received and 5% reported switching in response to price. Even fewer, at around 1% of total survey respondents, reported switching FOPs in the past 12 months for each of these reasons.[414] Again, this is consistent with evidence from some LVG internal documents.[415]

8.92 Similarly, only a small proportion reported switching for ownership reasons. Of all respondents that had been with their vet for less than ten years, only 4% reported switching in the past 10 years because they wanted to move to a practice that was either (a) independent or (b) part of an LVG. Out of this small sample, almost all respondents (90%) switched because they wanted to move to a practice that was independent.[416]

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[412] Pet owners survey, Q33.

[413] For example:
- An LVG [✂] document notes that [✂]. LVG response to RFI3, Q15. [✂]
- An LVG [✂] document reporting on customer research lists the following reasons for switching in order of importance: poor customer service, pricing, delay in getting appointment, lack of vet continuity, word of mouth, location, pet care plan, online reviews, appearance/facilities. LVG response to RFI1. [✂]

[414] Pet owners survey, Q33.

[415] For example:
- Third-party research prepared for an LVG [✂] (which was not limited to the UK) found that clients rarely change practice unless they relocate and noted that price is not a driver of client switching, with [✂] of pet owners indicating that they changed practices due to price. LVG response to RFI3, Q24. [✂]
- Another report submitted by an investor in an LVG [✂] concluded that [✂]. LVG Investor response to RFI1, Q3. [✂]

[416] Pet owners survey, Q33. We note that the sample size of this subgroup is small – 57 respondents said that they switched because they wanted to move to a practice that was independent, and 6 respondents said that they switched

Factors limiting switching

8.93 There are two types of factors that we consider are likely to be limiting switching between FOPs.

(a) The first is that many pet owners build trusted relationships with their vet or vet practice over time, and/or feel satisfied with the quality of care they are receiving. This relationship and trust may provide both consumer and animal welfare benefits that would be lost from switching, and is particularly relevant because consumers are not clinical experts and often have no choice but to rely on the advice of their vet. This type of factor is a legitimate one that we would expect to find in a well-functioning market. Nevertheless, this factor is likely to contribute to a limited propensity of pet owners to switch, including in response to a FOP raising its price significantly above its competitors. While an inherent feature of the market, this factor likely contributes to weak price competition between FOPs.

(b) The other factor is more concerning and is due to pet owners lacking awareness of differences between FOPs, due to the barriers they face to compare FOP prices and quality. This is a factor that we would not expect in a well-functioning market and is likely to contribute to a low propensity to switch FOPs and, in turn, weak competition between FOPs.

8.94 As discussed in part A, section 7, prices of vet services and total costs to pet owners have increased significantly in recent years. We have provisionally found that certain veterinary businesses have increased prices and costs faster than others, and that this cannot be fully explained by differences in quality. Given this context, we expect that some consumers would benefit from switching practices to obtain an improved offering on price or quality.

8.95 With greater consumer awareness of price and quality differences between FOPs, we would also expect consumers to have a greater propensity to switch FOPs (although many may still choose not to switch if a more competitive rival offering is outweighed by any benefits they have from a long-term trusted relationship with their existing vet or FOP).

8.96 In principle, improving pet owners' ability to compare between FOPs could lead to higher switching rates (for example, away from higher-priced or lower-quality providers). Ultimately any such increased propensity to switch FOPs would drive more effective competition on price and quality between veterinary businesses.

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because they wanted to move to a practice that was part of an LVG. We also note that a significantly higher proportion of pet owners at independent practices (25%) than LVG practices (15%) reported proactive switching to their current practice in the past 10 years. Pet owners survey, Q12a and Q33.

8.97 In the previous sections, we have set out the evidence on the barriers pet owners face to comparing FOP prices and quality. Below, we set out evidence on how trusted relationships with a vet or FOP may limit switching, and on the lack of practical barriers to switching.

8.98 Pet owners reported high trust in their regular vet, with the vast majority of survey respondents (88%) agreeing that their vet focuses on the highest standard of care.[417]

(a) Of those respondents to the pet owners survey that said they would find switching difficult or impossible, the most commonly mentioned reason for this difficulty was that they would need to build a new relationship with different individuals (37%).[418]

(b) Respondents to our issues statement submitted that pet owners value continuity of care for their animals and an ongoing relationship with their vet,[419] and that clients who frequently switch risk fragmented care and fail to build a strong relationship with a practice they trust.[420]

(c) Respondents to our working papers submitted that the findings from the pet owners survey reflected the high levels of trust in the veterinary profession and high levels of customer satisfaction.[421]

8.99 Some parties have submitted that pet owners remaining loyal to their FOP can obtain both consumer and animal welfare benefits. In particular, we have heard the importance of veterinary professionals being able to build meaningful relationships with pet owners and pets to maximise the chances of providing appropriate contextualised care.[422]

8.100 However, particularly at larger FOPs, many pet owners are unlikely to see the same vet or nurse every time they visit their FOP. We note that effective regulation should in any event provide assurance about the level of competence and quality across the profession. On these bases, we consider that some of the benefits of remaining with the same vet practice may not be available or meaningful to a substantial portion of pet owners. Continuity of care and good relationships are more likely to be significant for animals that have complex or long-term conditions but for animals whose only interaction with the vet is for annual health check and

[417] Pet owners survey, Q36r1.
[418] Pet owners survey. Q31.
[419] RCVS IS response, p7.
[420] BVA IS response, p8.
[421] CVS response to the February 2025 working papers, 21 March 2025, p1; IVC response to the February 2025 working papers, March 2025, p11; Medivet response to the February 2025 working papers, 21 March 2025, p18; Pets at Home response to the February 2025 working papers, 21 March 2025, p9 and VetPartners' response to the 'How people purchase veterinary services' working paper, 21 March 2025, p3.
[422] Linnaeus response to the February 2025 working papers, 21 March 2025, p32; Medivet response to the February 2025 working papers, 21 March 2025, p8 and BVA, BSAVA, BVNA, SPVS, VMG response to the February 2025 working papers, March 2025, p6.

vaccinations, continuity of care and a productive relationship is likely to be easy to re-establish at a new practice.

8.101 As to practical barriers to switching, we note that evidence from our pet owners survey suggests that pet owners feel able to switch: 85% of respondents reported that they would be able to switch practices, and 64% thought it would be fairly easy or very easy to do so.[423] Therefore there do not appear to be significant practical barriers to switching.

Insurers' limited constraint on veterinary businesses

8.102 Competition in the supply of pet insurance is outside the terms of reference for this market investigation. However, insurers indirectly act as the purchaser of some veterinary services and therefore may have, to some degree, an incentive to negotiate lower prices. In some markets insurance companies influence or limit the pricing power of businesses (for example by conditioning demand for, or coverage of, certain services). We have sought to understand the extent to which insurance companies operating in the veterinary services market place a demand-side constraint on veterinary businesses, in particular regarding the price of treatments covered by insurance.

8.103 First, we consider the relationship between insurance uptake and spend, before considering evidence from insurers themselves. This evidence supports our provisional finding that insurers have not significantly influenced or constrained the prices that FOPs charge for treatments and that insurers' ability and incentive to do so is limited.

The role of insurance in veterinary services

8.104 According to the Association of British Insurers (**ABI**), 4.4 million pet owners took out pet insurance in 2023, which is around a quarter of the UK households estimated to have pets.[424]

8.105 In our pet owners survey, the majority of respondents (56%) said that they currently had pet insurance, with a further 9% saying they had subscribed to insurance in the past three years but had since cancelled it.[425] Given the difference between this rate and the general estimate above, we consider it

[423] Pet owners survey, Q29 and Q30. In part A, section 9, we consider whether pet care plans limit pet owners' ability and willingness to switch. We find that pet care plans do not act as a significant barrier to switching, including because memberships can be cancelled without penalties.
[424] UK Pet Food estimated that 60% of UK households (17.2 million) own one of the UK's 36 million pets in 2023/24 (UK Pet Food). Other estimates are broadly consistent with the above: Statista estimated that 57% of UK households owned a pet in 2023 (Pet ownership in the UK 2023 | Statista); PDSA estimated that 51% of UK adults owned a pet in 2024 (2024 PDSA Animal Wellbeing (PAW) Report).
[425] Pet owners survey, Q112. Given the difference between this rate and the general estimate above, we consider it possible that our pet owners survey oversampled pet owners with insurance. Where relevant, we have considered results from our pet owners survey grouped by either insured and non-insured pet owners.

possible that our pet owners survey oversampled pet owners with insurance, or that some respondents thought that their pet care plan was pet insurance. Where relevant we have considered results from our pet owners survey grouped by insured and non-insured pet owners.

8.106 Pet insurance typically covers policy holders for non-routine treatments and non-preventative care. Pet insurance policies typically have limits on what kinds of treatments and services are covered, and what proportion or for how long those can be claimed for.[426]

8.107 The majority (53%) of insured respondents reported that their insurance paid for none of their veterinary expenses in the past two years. 24% of insured respondents reported that their insurance paid for more than half of their expenses and 20% reported that it covered less than half.[427] One LVG [✂] identifies that around [✂]% of the average annual spend of a 'claiming pet' is covered by insurance.[428]

8.108 Analysis of our pet owners survey identified that people with pet insurance reported having vet bills that were on average around 30% higher than respondents who had not been insured in the past three years.[429] For further evidence on the correlation between vet bills and insurance uptake, see Appendix F and our working paper, How people purchase veterinary services.

Whether insurers constrain veterinary businesses on price

8.109 We have considered different ways that insurance companies may constrain prices of FOPs.

8.110 The evidence we have seen indicates that pet insurance companies do not commonly have arrangements with specific vet practices or groups of practices, whereby they provide an increased level of cover compared to that offered to pet owners who use other practices.[430]

8.111 We have been given no evidence of insurance companies securing lower prices for their policyholders than would otherwise be offered direct to consumers by vet

[426] Insurance coverage options for household pets include lifetime cover, accident-only cover, maximum benefit cover, and time-limited cover.
[427] Pet owners survey, Q133a.
[428] LVG response to RFI3, Q18 [✂]
[429] How people purchase veterinary services, paragraph 5.161. In Q133 of our pet owners survey, respondents were asked to estimate their expenditure on vet services in the last two years, including any insurance payouts and pet care plan subscription fees, but excluding insurance premiums. The increase in vet bills observed was similar for all respondents, including those that reported using non-routine treatments in the past two years (which are the focus of insurance policies), and those that did not.
[430] [✂] response to RFI, Q1; [✂] response to RFI, Q1; [✂] response to RFI, Q1; [✂] response to RFI, Q1 and [✂] response to RFI, Q1. [✂]

practices.[431] [✂] submitted that it had attempted to do so at different times, but discussions had not progressed due to the market being 'unreceptive'.[432]

8.112 Pet insurance companies submitted that incentives to constrain prices are low, indicating they are unlikely to start exerting competitive pressure on FOP prices in the future.

(a) One insurance provider [✂] submitted that it has not agreed any arrangements with specific FOPs or veterinary businesses, including because this is not consistent with its objectives to ensure customers have freedom of choice in selecting a veterinary practice.[433] This provider mentioned that, after acquiring a book of customers from another insurance company, it removed an existing requirement on them to use a network of specialist vet practices as this was not consistent with its customer and product objectives.[434]

(b) Another insurance provider [✂] submitted that it had not attempted to access any lower prices from specific veterinary businesses, including because freedom of choice is important for its customers.[435]

(c) Another insurance provider [✂] submitted that it has not agreed any arrangements with specific FOPs or veterinary businesses, and that freedom of customer choice is an important factor in its current proposition.[436]

8.113 We further consider that the relatively low proportion of customers with pet insurance may limit the influence that pet insurers could, in theory, have on FOP prices. One pet insurance company [✂] submitted that pet insurers' ability to constrain veterinary prices is low, given the number of insured pets in comparison to the size of the veterinary services market overall.[437]

8.114 We note that some pet insurance companies do place certain limitations on claims for treatment costs in their policies,[438] and many conduct assessments to understand the performance of their policies and to review coverage levels.[439] Limitations on claims may involve pet owners paying for a certain proportion of their veterinary expenses (consistent with the evidence in the section above on insured pet owners still incurring veterinary expenses). We consider that these insurance strategies involve using pet owners to constrain veterinary prices. They

[431] [✂] response to RFI, Q2; [✂] response to RFI, Q2; [✂] response to RFI, Q2 and [✂] response to RFI, Q2.
[432] [✂] response to RFI, Q2.
[433] [✂] to RFI, Q1.
[434] [✂] response to RFI, Q2.
[435] [✂] response to RFI, Q2.
[436] [✂] response to RFI Q1
[437] [✂] response to putback.
[438] [✂] response to RFI, Q3, [✂] response to RFI Q3, [✂] response to RFI Q3, [✂] response to RFI Q3, [✂] response to RFI Q3.
[439] [✂] response to RFI, Q3, [✂] response to RFI Q3, [✂] response to RFI Q3, [✂] response to RFI Q3.

therefore do not involve the insurance provider itself exerting an additional and significant demand-side constraint on veterinary prices.

9. Pet care plans

9.1 Pet care plans are widely offered by vet practices across the UK. They involve a monthly or annual subscription fee which covers a package of routine medication and veterinary services. Their offerings vary but typically cover (partially or in full) the costs of certain routine treatments such as annual booster vaccinations and consultations, and flea, tick and worm preventative treatments. They may also include discounts for other treatments and services as needed.

9.2 A pet care plan is not the same as pet insurance. Pet insurance provides protection against unexpected veterinary costs, such as emergency treatments and conditions and illnesses. Such treatments are not covered by pet care plans and many vet practices encourage customers to consider taking out both a pet care plan and insurance coverage.

9.3 All LVGs[440] and many independent practices offer pet care plans. Pet care plan subscriptions make up a significant proportion of LVG revenues, ranging from around 10% to 20% of total revenue over the past three years, depending on the LVG.[441] Table 9.1 below shows the proportion of customers covered by pet care plans for each of the six LVGs.

Table 9.1: Proportion of customers with pet care plans at each LVG

LVG	*Customer base covered by pet care plan*
LVG 1 [✂]	[✂][442] [20-30%]
LVG 2 [✂]	[✂][443] [20-30%]
LVG 3 [✂]	[✂][444] [30-40%]
LVG 4 [✂]	[✂][445] [30-40%]
LVG 5 [✂]	[✂][446][30-40%]
LVG 6 [✂]	[✂][447] [40-50%]

Source: LVG responses to CMA requests for information

9.4 In our pet owners survey, 37% of pet owners said that they subscribe to a pet care plan. This includes 42% of LVG customers surveyed, and 29% of customers at independent vets.[448] This could reflect that not all independents offer such plans

[440] 9% of an LVG's [✂] practices do not offer a pet care plan. 61% offer a national pet care plan (which breaks down as 36% on varying price points and 25% on uniform pricing), and 30% offer bespoke pet care plans with varying price points. [✂].
A variety of plans are offered across Linnaeus owned practices, with some practices retaining pre-acquisition pet care plans. [✂] of Linnaeus practices only sell the group plan 'Pet Health for Life (PH4L)'. Vets MIR – Linnaeus response to RFI11 – [✂].
[441] CMA analysis of LVG revenues. Linnaeus response to RFI6; CVS response to RFI6; IVC response to RFI6, Pets at Home response to RFI6, VetPartners response to RFI6 and Medivet response to RFI6.
[442] LVG response to RFI1, Q24 [✂]. This rate was provided based on data from September 2023.
[443] LVG response to RFI1, Q24 [✂].
[444] LVG response to RFI3, Q24 [✂].
[445] LVG response to RFI3, Q24 [✂].
[446] LVG response to RFI1, Q24 [✂].
[447] LVG response to RFI1, Q24 [✂].
[448] Pet owners survey, Q108.

but could also indicate a greater drive within LVGs to encourage take up of plans. 29% of pet owners we surveyed said that they had both a pet care plan and a pet insurance policy, while 26% said that they had neither in the past three years.[449]

9.5 Pet care plans are usually priced by species (and, for dogs, usually priced by weight), with plans for dogs typically being more expensive than plans for cats. Among the LVGs, some (including [✂], [✂] and [✂][450]) have standard pricing for their pet care plans that applies across the UK, while others (including [✂]) have pricing that can differ depending on branding and location.[451] Table 9.2 below shows the annual prices of LVG pet care plans (excluding VAT) in July 2025 – although Linnaeus and Medivet's prices are average annual prices charged in 2024.

Table 9.2: Annual pet care plan prices (excluding VAT) in July 2025

Provider	*Cat*	*Small dog*	*Medium dog*	*Large dog*	*Extra large dog*
CVS	£177.50	£177.50	£187.10	£196.70	£225.50
Pets at Home*	£153.50	£182.30	£182.30	£220.70	£220.70
IVC†	£201.50	£220.70	£220.70	£220.70	£220.70
VetPartners^	£[✂]	£[✂]	£[✂]	£[✂]	£[✂]
Linnaeus‡	£[✂]	£[✂]		£[✂]	
Medivet§	£145.00	£165.00	£175.00		

Source: CMA research and LVG responses to CMA requests for information.
** Prices for complete care plan.*
† Prices for essential plan.
^ Mean price of pet plans sold on 31 August 2023.[452]
‡ Median price of pet plans sold in 2024.[453]
§ Prices of plans in 2024.[454]
Note: prices are repeated across dog sizes where an LVG does not differentiate its prices by the given dog sizes. Prices left blank where this information is not available.

9.6 In response to our survey, pet owners listed a range of reasons for taking up pet plans, including the ability to keep up preventative care for their pet (53%), value for money (50%), the feeling of reassurance it could provide (46%), help with financial planning (43%), and a recommendation from the vet practice (40%).[455]

Our provisional assessment

9.7 We first note that pet care plan subscribers are more likely than non-subscribers to use routine treatments and to spend more at their FOP. This means that veterinary

[449] Pet owners survey, Q112 and Q108.
[450] [✂].
[451] [✂] response to RFI14, Q1; [✂] response to RFI14, Q1; [✂] response to RFI14, Q1 and [✂] response to RFI14, Q1.
[452] VetPartners response to RFI1, Q18.
[453] Linnaeus response to RFI14 Q1.
[454] Medivet response to RFI14 Q1.
[455] Pet owners survey, Q109.

businesses are motivated to increase pet care plan uptake and do so through marketing and via staff incentives.

9.8 Given this and the prevalence of pet care plans generally, we have assessed whether they provide value for money and whether pet owners are able to effectively compare between plans when choosing a FOP. In particular:

(a) We have used LVG pricing data to estimate the 'potential' value that pet care plan subscribers could obtain, and we have used the average usage data provided by some LVGs to estimate the value that was actually obtained by an 'average' pet care plan subscriber in the past year.

(b) We have considered how veterinary businesses market and provide information about their pet care plans, and considered how this might affect pet owners' ability to make informed decisions when choosing a pet care plan and/or choosing a FOP.

9.9 Our assessment has focused primarily on the pet care plans offered by LVGs rather than independents, given the availability of comparable pricing information for LVG pet care plans and treatments and the fact that take-up of pet care plans appears to be higher among customers of LVG FOPs. We have also considered the ways in which independent FOPs market their pet care plans.

9.10 For all major LVG pet care plans, pet owners who use all the included services in their plan can achieve significant financial savings compared to buying those same services separately from their FOP. However, these potential savings are reduced when compared to the cost of purchasing flea and worm parasiticides from online retailers, which are (in general) significantly cheaper than purchasing parasiticides from FOPs.

9.11 Our analysis of average usage rates provided by two LVGs, presented in detail in Appendix G, suggests that a pet owner with 'average' plan usage may make short-term savings on about half of the top-selling plans offered by LVGs, compared to buying these services individually at their FOP.[456] However, when compared to the cost of purchasing parasiticides from online retailers, our analysis suggests that that the 'average' pet owner would not make short-term savings at most of the LVG's top pet care plans. We note that pet care plans offer benefits to many pet owners such as spreading costs and encouraging preventative care by reducing the marginal cost of taking up additional preventative treatments, which may also lead to future savings. They include some further discounts and savings that we were unable to take into account in our analysis. However, our analysis suggests that some subscribers may be paying more in the short term, particularly when

[456] Our analysis used [✂] and [✂] data submitted in response to RFI14, to which no other LVGs supplied usable data. It also only considers the savings subscribers can make on standard included treatments. Further detail on this analysis is discussed in **Appendix G: whether LVG pet care plans provide value for money**.

compared to the cost of purchasing parasiticides from online retailers. We have been told that a small proportion of subscribers do not use any of the services offered within the plans.[457]

9.12 Finally, we note that not every preventative treatment covered by a pet care plan will always be needed by pet owners – for example, some plans cover pet owners for five or more annual consults (or, in some cases, unlimited consults), which we consider are unlikely to be used by many pet owners with healthy pets. We have heard anecdotally that pet care plans may facilitate the over-treatment of pets in regard to certain included services.[458] Recent research has raised concerns about the environmental impact of over-prescribing parasiticides.[459]

9.13 To understand why short-term savings are not achieved by some pet care plan subscribers, we have considered evidence on how veterinary businesses market and provide information on pet care plans. This is important because it appears to us that some pet owners are likely to place weight on the price and content of pet care plans when choosing a FOP (or choosing to remain with a FOP), given that 37% of them subscribe to such plans.[460] The value of pet care plans as a means of attracting and retaining customers, and as a source of revenue, is demonstrated by how these plans make up a significant proportion of total consumer spend at FOPs (10 to 20% of LVG revenue, depending on the LVG),[461] and by how these plans are prominently marketed by FOPs.

9.14 Our analysis indicates that information about pet care plans is often not presented in a way that enables consumers to compare between FOPs or assess value. Marketing materials we have reviewed almost always highlight *potential* annual savings without breaking down the costs of individual treatments or products, and without comparing savings against third-party medicine prices. Such claims are not informative – they do not enable pet owners to estimate personal value based on their own expected usage and make it very difficult to compare between the plans offered by different FOPs. Pet owners' abilities to make informed choices about the services they buy are important for competition in a well-functioning market. Where pet owners put weight on pet care plan offerings to inform their choice of FOP, but cannot effectively assess the value of those plans, that is

[457] For example, an LVG [✂] estimates 5% of their pet care plan customers do not use any of the treatments or services covered by their plans. LVG [✂] response to RFI17, Q28.
[458] Respondent 10 [✂] response to the Remedies Working Paper.
[459] Pet parasiticides can be hazardous to the environment. A growing body of research is considering whether pet parasiticides can enter the environment through multiple routes and some evidence indicates that the active ingredients from pet parasiticides have been detected at high concentrations in UK waterways. The BVA, BSAVA and BVZSA have published a joint policy position on responsible parasiticide usage, highlighting the need for further research and advising a risk-based approach that avoids the blanket treatment of pets. A One Health perspective on pet parasiticides, 'Are urban areas hotspots for pollution from pet parasiticides?' and BVA, BSAVA and BVZS policy position on responsible use of parasiticides for cats and dogs (accessed October 2025).
[460] Pet owners survey, Q108.
[461] CMA analysis of LVG revenues. Linnaeus response to RFI6; CVS response to RFI6; IVC response to RFI6; Pets at Home response to RFI6; VetPartners response to RFI6 and Medivet response to RFI6.

liable, in our provisional assessment, to lead to less effective competition between veterinary businesses.

9.15 We provisionally find that, while LVGs remind their subscribers to use the treatments included on their plan, they do not provide bespoke, personalised information on the actual usage or the savings that pet owners have achieved by subscribing to a pet care plan (for example, at the end of a subscription year). This may leave some pet owners unaware that they are not getting value for money from their plan and make it more difficult for them to make an informed choice about whether to retain their subscription or switch to a different FOP. We have not seen evidence indicating that this has an effect on competition between FOPs, for example whether the provision of such information would have any material impact on pet owners' propensity to switch FOPs (rather than just increasing pet owners' propensity to cancel or change their pet care plan). We do, however, have some concerns from a consumer protection perspective that could be met by veterinary businesses providing this sort of information to plan subscribers.

9.16 In the sections below, we set out evidence to support each of the following provisional findings:

(a) Veterinary businesses are motivated to increase pet care plan uptake because subscribers are more likely to use routine treatments and spend more at their FOP.

(b) Information provided by veterinary businesses about pet care plans does not always enable consumers to assess value and is not always comparable.

(c) LVGs encourage uptake of services and treatments, but do not communicate usage of the plan benefits or value achieved at the end of the term.

(d) Pet owners are able to cancel and switch pet care plans.

9.17 Appendix G sets out our detailed assessment of whether LVG pet care plans provide value for money.

Veterinary businesses are motivated to increase pet care plan uptake because subscribers are more likely to use routine treatments and spend more at their FOP

9.18 Evidence indicates that pet owners who subscribe to a pet care plan are more likely to use routine treatments, and to spend more at their FOP in total. Evidence also indicates that veterinary businesses are motivated to increase pet care plan uptake, and that veterinary businesses work to increase uptake through marketing, staff targets and other means.

9.19 Analysis conducted by various LVGs clearly shows that pet owners who subscribe to pet care plans are more likely to use routine treatments, and some evidence indicates that subscribers spend more annually at their FOP. For example:

(a) An LVG's [✂] analysis of annual treatments and [✂] conducted in November 2024 found that plan subscribers used on average [✂] treatments per pet annually, [✂]% more than non-subscribers, who used on average [✂] treatments per pet annually. [✂].[462]

(b) Another LVG's [✂] analysis found that over 90% of pets on pet care plans received vaccinations and flea and worm treatments annually, compared to just 38% (for vaccinations) and 26% (for flea and worm treatments) of pets not on pet care plans.[463]

(c) Another LVG's [✂] analysis found that in the 12 months to January 2025, over 90% of pet care plan subscribers received vaccinations and flea and worm treatments annually, compared to just 52% (for vaccinations) and 42% (for flea and worm treatments) of non-subscribers. In another analysis from FY23, the same LVG [✂] found that on average, pet care plan subscribers had a higher number of annual consultations than non-subscribers (1.55 compared to 1.20, an increase of 25%).[464]

(d) Another LVG's [✂] analysis found that pet care plan subscribers had 1.8 times higher take-up than non-subscribers for a range of routine treatments, including vaccinations, flea and worm treatments, microchipping, neutering and more.[465]

9.20 Other evidence supports this quantitative analysis conducted by LVGs. For example:

(a) 82% of respondents to our pet owners survey who said they had pet plans and attended regular check-ups in the last two years agreed that they attended these because their pet care plan covered the cost of it.[466] Only 4% of respondents with an active pet care plan said they had not had a regular check up in the last two years, significantly fewer than the 19% of respondents that had not had a pet care plan in the past three years. On the other end of the scale, 30% of respondents with an active pet care plan said they had attended four or five regular check-ups in the past two years,

[462] This analysis was part of an assessment of which treatments to include in the LVG's [✂] plan. [✂]. LVG [✂] response to RFI17, Q27.
[463] LVG [✂] response to RFI17, Q27.
[464] LVG [✂] response to RFI17, Q27.
[465] LVG [✂] response to RFI17, Q27.
[466] Pet owners survey, Q57r4.

significantly more than the 13% of respondents that had not had a pet care plan in the past three years.[467]

(b) Respondents that reported currently having pet care plans reported spending, on average, around 5% more on vet services in the past two years than respondents that reported not having pet care plans in that time.[468] For those respondents that reported *only* using routine treatments in the past two years, respondents with pet care plans reported spending around 30% more on these routine treatments in the past two years.[469]

(c) Significantly fewer respondents that said they had pet care plans reported spending under £200 on vet services in the past two years (13% of these respondents, compared to 19% of respondents that reported not having pet care plans in the past three years).[470]

(d) In our qualitative research, veterinary professionals said that pet care plans supported pet owners and health outcomes for animals, because customers on plans were more likely to visit practices more promptly and take up preventative care than those without plans.[471]

9.21 Internal documents from some LVGs highlight a drive to increase pet care plan adoption among customers, including documents which identify specific staff targets and others that demonstrate the use of segmentation and personalisation to target customers. We discuss these documents at paragraph 5.82 of our working paper How people purchase veterinary services.

9.22 We also saw a significant number of LVG internal documents which presented pet care plans as an opportunity to generate higher spend among plan owners, compared to non-plan owners. This includes evidence indicating that increased spend could be explained by an increase in take up of non-inclusive services, treatments and retail products that pet care plan subscribers purchase during routine visits. Examples of this evidence is detailed in paragraphs 5.113 – 5.114 of our working paper How people purchase veterinary services.

[467] Pet owners survey, Q56.
[468] Pet owners survey, Q133 and Q108. Estimates for average spend were calculated using the minimum, midpoint and maximum of the response options provided. Increase in spend for each of these calculations was 5%.
[469] Pet owners survey, Q133 and Q108, filtered by Q46. Estimates for average spend were calculated using the minimum, midpoint and maximum of the response options provided. Increase in spend for each of these calculations was 27%, 35% and 24%.
[470] Pet owners survey, Q133.
[471] Qualitative research with veterinary professionals, pp 98-100.

Information about pet care plans is not always comparable and does not always enable consumers to assess value

9.23 Pet care plans are often marketed by veterinary businesses as a means of saving pet owners money. Overall, evidence indicates that the information provided by most veterinary businesses regarding pet care plans does not enable consumers to either compare between FOPs or assess the value offered or achieved by a plan.

9.24 Pet care plans are marketed by veterinary businesses in both traditional and digital channels, for example in leaflets or posters displayed at the practice, on the practice website, via social media and within apps.

(a) In our pet owners survey, most pet owners (56%) said that they were made aware of pet care plans by direct mention from their practice, while others said they were made aware of pet care plans via physical advertisements such as posters and leaflets in the practice (30%) or on the practice website (26%).[472]

(b) In our qualitative research, practice marketing in reception areas was mentioned as a main channel of informing clients of plans.[473] Some veterinary professionals told us that their own perceptions of the benefits of plans drove them to recommend them to their clients.[474]

(c) In our review of website pricing information, we found evidence of pet care plans on 98% of LVG websites and 71% of independent websites. This difference is mainly driven by smaller independents (where we found evidence of pet care plans on 65% of their websites, compared to 99% of mid-tier independents). Where we found evidence of a pet care plan, 99.6% of LVG websites included the price of the pet care plan, compared to 76% of independents. This difference is driven mainly by mid-tier independents (where only 55% of those with a pet care plan had pricing information, compared to 83% of small independents).

9.25 Our review of the main websites of each of the LVGs indicates that most advertise the potential savings that pet owners could obtain from pet care plans compared to the total cost of included treatments. However, none of them compare this total cost to the individual included treatments' standalone prices.[475] Given that

[472] Pet owners survey, Q110.
[473] Qualitative research with veterinary professionals, pp 98-99.
[474] CMA veterinary professional research.
[475] CVS's Healthy Pet Club website (accessed July 2025) advertises savings of up to £200 a year, with the caveat that this is based on the cost of purchasing each benefit separately and based on the average prices charged across a sample of CVS practices.
IVC's Pet Health Club website (accessed July 2025) advertises savings of (for example) up to £419 per year on an 'Essential' dog plan. Small print indicates this is based on full uptake of core benefits and based on prices across 95% of participating practices.

standalone price information is not always available or comparable, individual pet owners cannot use this total calculation to estimate the likely value that they would obtain from a pet care plan, based on their own predicted usage rates of routine treatments.

9.26 Our review of LVG pet care plan marketing documents is consistent with this finding, indicating that they often display the monthly price of plans for a range of small animals, and the annual cost saving that could be made if a pet owner took up *all* included services, compared to the total cost of purchasing the included treatments individually.[476] Other LVG marketing examples highlight the overall potential saving that can be made without outlining the relative costs of individual included treatments.[477]

9.27 Medivet and another LVG [✂] have 'savings calculators', which can be used by practices when offering pet care plans to customers to help demonstrate the potential value to customers based on take-up of the included treatments at the recommended frequency ([✂]) or based on individual usage (Medivet). These are designed for pet owners registered with a FOP and therefore do not inform pet owners' choice between competing FOPs in a local area.

9.28 In our website pricing review, most independent practices that advertised a potential savings figure for pet care plans did not provide information that would enable an individual pet owner to estimate the likely value that they would obtain from a pet care plan, based on their own predicted usage. In particular:

(a) 70% of those independent practice websites that included the price of a pet care plan marketed this pet care plan as a means of saving money. Of this group, 35% advertised a range of potential savings, 31% advertised a single value of potential savings and 34% did not give an estimate of the potential savings pet owners could obtain.

(b) Of those websites that gave an estimate of potential savings, only 27% gave a clear explanation of how this was calculated. Slightly over half of these, or only 14% of all websites that advertised a potential savings figure, compared

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Medivet's Healthcare Plan website (accessed July 2025) advertises savings of an average of £225 per year. Small print indicates that this is based on an average saving over 12 months across 365 practices.
Pets at Home's Pet Health Plan website (accessed July 2025) highlights a saving of 'over £300 on routine healthcare'. Small print states that this represents the average annual saving which may be achieved in each year of the plan as compared to buying the same treatments/services individually within the Pets at Home group, based upon the assumption that all benefits under the plan are used in each annual period.
VetPartners' Pet Health Plan (accessed July 2025) does not indicate potential annual saving on their group website.
Linnaeus's national plan 'Pet Health for Life' does not have a standalone website and our review in July 2025 of the Pet Health for Life pages on a small sample of Linnaeus practice websites indicates they do not currently include a total potential saving in their plan marketing.
[476] For example, an LVG's [✂] poster template for itemised treatment or products included in the pet care plan and calculated savings; an Independent [✂] showing the pay as you go costs for each treatment or product included in the pet care plan and overall savings.
[477] For example, an LVG's [✂] pet care plan marketing posters indicate the overall saving on routine healthcare, with caveats of this calculation in small print. [✂].

the annual cost of the pet care plan with an itemised breakdown of the cost of individual treatments. We saw no evidence of veterinary businesses comparing savings against the cost of purchasing parasiticides from online retailers.

9.29 Finally, we note that pet care plans offered by different veterinary businesses often cover different services at different frequencies. This variety in plan coverage may be helpful in meeting different pet owners' preferences and needs, but it may also make choice of FOP and comparison of value for money more difficult, given that each pet owner has their own specific preferences and demand for included treatments.

LVGs remind customers to make use of treatments and services but do not communicate usage

9.30 Evidence indicates that, while LVGs remind pet care plan subscribers to use their included treatments, they do not tell them whether they have used those treatments in the past, and accordingly whether their pet care plan has provided value for money at the point of renewal.

9.31 Most LVGs submitted to us that they send reminders via SMS, email, telephone call and/or letter to their pet care plan subscribers to encourage take-up of certain preventative healthcare services or treatments, although such reminders are not always limited to pet care plan customers.[478]

9.32 However, all the LVGs told us that they do not communicate to pet owners whether or not they have saved money based on their individual take up of the treatments included on the plan, compared to if they had purchased the same treatments individually without a plan.[479]

(a) An LVG [✂] submitted [✂].[480] It also noted that around [✂]% of its pet care plan members choose to discontinue plan membership each year, which it says indicates that it is straightforward for customers to cancel, and that clients do exit plans when they no longer require or get value from the benefits it offers.[481]

(b) Two LVGs [✂] and [✂] submitted that they do not have the data or the management systems necessary to allow annual monitoring of usage at the client level.[482]

[478] [✂] and [✂].
[479] [✂] and [✂].
[480] LVG [✂] response to RFI17, Q30.
[481] LVG [✂] response to RFI14, Q1.
[482] LVG [✂] response to RFI17, Q30 and LVG [✂] response to RFI17, Q30.

9.33 We have not seen evidence indicating that this has an effect on competition between FOPs, because it is not clear that the provision of such information would have any impact on pet owners' propensity to switch FOPs (rather than just increasing pet owners' propensity to cancel or change their pet care plan). Because FOPs do not publish comparable price information, the provision of usage information may not by itself enable better comparisons between FOPs, or result in pet owners having an increased propensity to switch FOPs.

9.34 We observe, nonetheless, that the provision of such information would give pet owners a greater ability to assess the value of their pet care plan subscription, and to consider whether to cancel it or switch to a different FOP and pet care plan based on this assessment. The ability to make such informed choices is important from a consumer protection perspective, whether or not concerns arise about competition between veterinary businesses. Those concerns could be met by veterinary businesses providing actual usage information to consumers on a regular (for example, annual) basis.

Pet owners are able to cancel and switch pet care plans

9.35 We have considered whether pet owners find it difficult to cancel or switch their pet care plan, including when they are considering switching FOPs. Our review of LVGs' plan contracts did not give rise to any 'lock-in' concerns. Most memberships can be cancelled without penalties, with customers who cancel being charged for any differences between the treatments they used during subscription and the total subscription costs paid up to cancellation. We note that only 2% of respondents to our pet owners survey said they would find switching difficult because their pet care plan required them to remain with their current vet practice.[483]

9.36 On this basis, we do not currently have concerns regarding whether pet owners have the ability to cancel pet care plans.

[483] Pet owners survey, Q31.

10. Choice of treatments and referrals

Introduction

10.1 Once a pet owner has chosen a FOP, they may visit their vet practice for a variety of treatments, services and referrals. This section considers whether pet owners are given appropriate and timely information and advice about these treatment options, including cost, potential outcomes, and the relative merits of different treatments, to help them make the choice that best meets their (and their pets') needs. Having the ability to make well-informed choices is important for pet owners.

10.2 This section covers diagnostic tests and treatments performed in FOPs (including Out-of-Hours (**OOH**)), as well as instances where the pet owner needs to get a referral to another vet (whether within the same FOP or elsewhere) for a diagnostic test or treatment.

10.3 Vets offer advice during both routine and non-routine consultations which may impact pet owner expenditure on veterinary services and health outcomes for their pets. Routine services such as regular health checks are frequently used by pet owners (used by 57% of pet owners in the past two years).[484] As part of these routine services, vets may offer advice on preventative treatments and how to treat or investigate any concerns with a pet's health. Non-routine services are less common but can have significant cost implications. For example, 17% of respondents to our pet owners survey had either been referred or been recommended a referral in the past two years.[485] Specialist services offered by referral providers can involve very high treatment costs, for example, MRI scans or TPLO surgery (surgery to treat a ruptured or damaged cranial cruciate ligament in the knee joint) can cost over £3,000.[486]

10.4 Vets first advise pet owners on diagnostic tests and treatment options[487] and, in many cases, then sell to pet owners the recommended or agreed option. This means that, in the supply of diagnostic tests and treatment options, vets play a dual role as a clinician and a commercial seller. Where a referral to an Advanced Practitioner or a Specialist vet is an option, a first opinion vet controls the information available to the pet owner at a key decision-making point and influences the information the pet owner is given about the sellers of more specialist services. In this regard, the first opinion vet acts as a 'gateway' to these more specialist services. In some cases, there may be the option for the FOP, or

[484] Pet owners survey, Q42, p41, Figure 38.
[485] Pet owners survey, Q58, p52, Figure 53.
[486] CMA review of pricing information available on referral centre websites. For example: Pricing - Pride Veterinary Referralshttps://www.gainsboroughreferrals.co.uk/prices (accessed September 2025).
[487] In this section, we use the term 'treatments' to refer to both diagnostic tests and treatments for brevity, unless stated otherwise.

the wider group of which that the FOP is a part, to supply these more specialist services.

10.5 With the rising cost of veterinary services and the greater availability of more advanced treatments, it has become even more important that vets effectively balance their roles as a clinician and either the commercial seller or the gateway to a more specialist service. Our analysis indicates that between January 2016 and December 2023 average first-year treatment expenses (a measure of overall vet bills) increased by 53%, while general services inflation grew by 32%.[488]

10.6 We have not heard widespread concerns about veterinary professionals' clinical expertise, nor are we concerned that pet owners are given clinically inappropriate treatment options. In general, veterinary professionals prioritise animal welfare and have strong professional integrity and this is underpinned by the regulatory framework.

Our provisional assessment

In a well-functioning market, vets would consistently provide pet owners with appropriate and timely information relating to diagnosing and treating their pets

10.7 Having appropriate and timely information is important. It helps pet owners to:

(a) decide whether to go ahead with a treatment and, if so, which option to choose (where options are available);

(b) budget and prepare to care for the pet while it recovers; and

(c) feel reassured that they have made the best choice on behalf of their pet, taking account of their personal circumstances.

10.8 Our provisional assessment is that, in a well-functioning market, we would expect vets to routinely give pet owners appropriate and timely information about treatments including:

(a) possible costs of treatment (and any other follow-on costs to which a treatment might lead, for example ongoing medicines or aftercare);

(b) treatment options (where more than one is available);

(c) relevant clinical information (such as the likely outcome or range of outcomes; the risks of the treatment and of doing nothing; the likely next

[488] ONS, CPI Index: services.

steps; and any care the pet owner will need to provide after the treatment); and

(d) the skills and experience of the provider (where there is a choice of provider).

10.9 This information would be given at a time and in a form that reflects the clinical context and the circumstances of the pet and its owner. As pet owners are not generally clinical experts and will not find it easy to assess what course of action might be best for their pet in the circumstances, this information is an important part of the service they purchase from their FOP. The quality of the information and advice pet owners are given by their FOP is an aspect of the overall quality of the service the FOP provides.

10.10 FOPs compete for customers through the overall quality of their services. Veterinary businesses seek to measure their clinical and non-clinical quality, for example Net Promoter Scores (**NPS**) are a widely used measure of quality among the LVGs.[489] One of the main influences on a pet owner's choice of FOP, apart from location, is recommendations from friends and families.[490] We explained in part A, section 8 our provisional view that, while there is some scope for pet owners to stimulate competition between FOPs on quality, the available measures of quality are not sufficiently complete, objective or comparable to support pet owners to make an informed choice of FOP on the basis of quality. These difficulties faced by pet owners are likely to weaken competition between FOPs over quality.[491]

10.11 Competition specifically on the quality of treatment information and advice that pet owners are given at FOPs (one aspect of overall FOP quality) is likely to be limited, even in a well-functioning market. Pet owners typically choose their FOP before needing treatment, so we would not expect their personal experience of the information and advice they are given about treatments to influence their choice of FOP. Even any recommendations pet owners make based on this personal experience are unlikely to lead to strong competition in this specific aspect of FOP quality as it is inherently difficult for pet owners to know whether they are being given good quality information and advice, even in retrospect. Pet owners' lack of clinical expertise and their trust in vets mean that pet owners are unlikely to question the quality of this information and advice.[492]

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[489] Further details are set out in part A, section 8: Competition between FOPs, including why NPS has limitations in enabling customers to compare quality between different providers, and our provisional assessment of competition in relation to overall quality.
[490] As set out in part A, section 8: Competition between FOPs, 44% of respondents to our pet owners survey said they considered recommendations (for example from friends and family) when choosing their current FOP, while 68% considered location. Pet owners survey, Q13.
[491] Part A, section 8: Competition between FOPs
[492] Further details are set out in part A, section 3: Factors which affect how competition works in the market for veterinary services.

10.12 Limited competition between FOPs to incentivise good quality treatment information and advice means that regulation has an important role to play in ensuring that FOPs provide this. Proportionate regulation can ensure that pet owners are appropriately informed and are in a position to make treatment choices relevant to their circumstances. Such regulation should focus on addressing the effects of weak competition on the quality of treatment information and advice, rather than aiming to increase competition between FOPs on this aspect of service quality. This is because it is inherently difficult to stimulate competition on the quality of treatment information and advice.[493]

10.13 Where there may be more than one clinically appropriate treatment option it is particularly important that vets understand the circumstances of the pet owner and their pet and present options and make recommendations accordingly. This may include the pet's age and general health and the ability of the owner to afford certain types of treatment, administer care at home, or bring the pet into the practice. In a well-functioning market, one approach could be for vets to discuss the range of options with the pet owner and support them to select one, another approach could be to make a specific recommendation, based on an understanding of the circumstances, which may often follow from a conversation about the range of choices that the pet owner could make. Even if a pet owner's circumstances mean they can afford more sophisticated treatments, they may prefer simpler, cheaper options, including 'wait and see' or staged treatments where clinically appropriate. Therefore, it is important that both the wishes and the circumstances of the pet owner are understood by the vet. Both approaches may be consistent with contextualised care, provided the vet properly understands the wishes and the circumstances of the pet owner.[494] The supporting guidance to the RCVS Code (the **Guidance**) states that informed consent can only be given by a pet owner who has had the opportunity to consider a range of reasonable treatment options.[495]

10.14 As set out in part A, section 2, developments in medicine and clinical practice mean increasingly advanced clinical options are available with differing costs and likely outcomes.[496] While advances in animal medicine are positive, they do in some cases make the commercial transaction between pet owners and veterinary businesses more complex. Pet owners want to do the best for their pets but may be financially constrained. This puts a considerable onus on vets to inform pet owners appropriately about the likely availability, costs, and potential outcomes of

[493] For example, while certain price information can be expected to stimulate price competition between FOPs, information on specific treatment prices are unlikely to do so for treatments where there is significant uncertainty over whether a pet would need such a treatment when the pet owner first registers with a FOP (for example a specific type of surgery).
[494] Contextualised care acknowledges that there are different ways to approach the diagnosis and treatment of an animal, depending on its and its owners' circumstances, and the context in which the care is delivered. RCVS Knowledge, Guidance on Contextualised Care.
[495] Supporting Guidance, Communication and consent.
[496] Part A, section 2: Context for the veterinary services market

alternative treatments. In some cases, these alternatives could include euthanasia. In giving information about treatment options, it is important that vets reassure pet owners where cheaper options remain clinically appropriate and promote the welfare of the pet.

10.15 For referrals specifically, in addition to the relevant clinical options, there may be a choice of the provider and/or referral vet by whom the pet is treated (potentially including, in addition to a specialist referral centre, a referral to another vet within the same FOP or a peripatetic vet who visits the FOP to provide care).[497] FOPs generally act as intermediaries to identify and recommend referral providers and/or referral vets to pet owners.

10.16 Our provisional view is that, in a well-functioning market, where multiple referral providers are available and clinically appropriate, we would expect pet owners to be made aware that they can choose a referral provider and to be able to access information about those providers including the nature of the treatment, the skills and experience of the referral vet, the availability of appointments, and, in many cases, the likely cost. By making pet owners aware when there are alternative referral providers, FOP vets can stimulate competition between referral providers. Further information about these referral providers and/or referral vets could be provided by the FOP, on the referral provider's website or through the pet owner contacting the referral provider directly. Making pet owners aware of alternative options, providing appropriate and timely information about those options, and giving the pet owners the benefit of the FOP vet's knowledge and experience of particular options and providers are all aspects of the quality of the service that FOPs provide.

10.17 For OOH treatment, as well as the treatment options described above, there may, in some situations, be an additional option of waiting until normal business hours to receive treatment from their regular FOP. Where this is clinically appropriate, it can mean significantly reduced costs for pet owners as consultations and treatments within normal business hours are substantially cheaper than OOH care.

There is evidence of a lack of consistency in the provision of appropriate and timely information about treatment options and prices

10.18 It is not possible for us to assess in full how effectively vets inform pet owners about treatment options. We cannot assess matters of clinical judgement, for

[497] In this section, unless stated otherwise, 'referral providers' include:
- referral-only sites, such as multidisciplinary referral-only centres, where Specialists with expertise in a range of different areas work together in a single practice, or single speciality referral-only sites, for instance a site that specialises in oncology. As defined by the RCVS, Specialists have at least a postgraduate diploma level qualification (Specialist status – Professionals, accessed 16 September 2025).
- FOPs which choose to employ full time Specialist vets to work from individual sites, to give a practice that offers both FOP and referral services.
- FOPs which use peripatetic vet who visits the FOP to provide care.

example whether vets are giving an appropriate number of alternative treatment options, which will depend on the clinical circumstances and the needs of the pet. However, the evidence indicates that there is a lack of consistency in the approach taken by vets to help pet owners make well informed choices. On prices, our provisional view is that pet owners could be told price information more often and more consistently, in a format and at a time which enables them to appropriately consider it. On referrals specifically, pet owners could more often be made aware when alternative providers are available.

Some pet owners are not given timely price information

10.19 Where pet owners have a choice of treatment options, unless there is a referral option, they are typically choosing between treatments within their chosen FOP. Therefore, as FOPs have a largely captive customer base when a pet may need treatment, FOPs have weaker competitive incentives to provide timely price information.

10.20 Less than half (43%) of the respondents to our pet owners survey reported that they were provided with price information in advance of their most recent non-routine[498] treatment.[499] Price estimates, when provided, were often given only orally rather than in writing, which makes them more difficult for pet owners to remember and refer to once away from the consulting room. In some instances, even when price information was provided, it was provided too late for pet owners to make informed decisions about treatment options, for example when it was provided after pet owners were already in the clinic for treatment and would have found it challenging to go with another option.

10.21 We recognise that in some clinical circumstances it is not possible to give timely information because of the need for emergency treatment or unexpected circumstances. Nevertheless, in a well-functioning market we would expect more pet owners to be given price information at an appropriate time to help them to choose treatment options that are best for them and their pet and, even if such options are not available, to assist them in understanding the financial implications of the proposed treatment and to help them budget. This is important as relatively common procedures can be expensive. Neutering can cost up to £600 and dental treatments up to £900 with costs even higher for less common procedures. Some surgeries cost in excess of £3,000.[500]

[498] Non-routine treatments include consultations to diagnose or treat a condition, surgery or diagnostic tests. By contrast, routine treatments are regular/routine health checks, vaccinations, microchipping, neutering, or animal healthcare certificates. Although we have drawn a distinction between routine and non-routine treatment, we recognise that there may sometimes be a connection between the two (for example where, during a routine treatment, a vet identifies a more complex condition).
[499] 4% responded 'don't know/can't remember'. Pet owners survey, Q50.
[500] Neutering varied from £200 to £600 depending upon the type of treatment and the weight of the animal. Dental treatments ranged from £200 for a 'scale and polish' to £900 for multiple extractions while surgery varied from £300 to

Even though referral provider options are often available, some pet owners are not given those options

10.22 Our local concentration analysis shows that the vast majority (86%) of referral providers are in local areas with at least four referral providers;[501] however, in our survey, only 30% of pet owners reported being given options of different providers for their most recent referral.[502] Even if one referral provider is significantly closer than others, where more than one referral provider offers the relevant expertise and is likely to have availability, it is important that as part of providing high quality advice FOP vets make pet owners aware that there are options. This may prompt pet owners to compare referral providers on aspects such as price, clinicians' experience, waiting times, or the reputation of the individuals, the site or any group to which the referral provider belongs. Our evidence indicates that veterinary businesses are not making some pet owners aware when there are different options available.

There are barriers to vets helping pet owners to make good choices in informed ways

10.23 It is important that vets help pet owners to make good choices. This may be particularly important for pet owners who are financially constrained. A significantly higher proportion of respondents to our pet owners survey who self-identified as finding life financially 'very difficult' did not agree that their vet considers their personal circumstances when deciding which treatment options to offer (35%) when compared to those 'living comfortably' (19%) or 'doing alright' (18%).[503]

10.24 Vets, particularly less experienced clinicians, can sometimes find it challenging to discuss prices with pet owners.[504] The support vets are given on presenting pet owners with treatment choices and prices (sometimes in difficult circumstances) is not consistent, with the result that pet owners are not always aware of the options that might be available or the consequences (financial or clinical) of making a particular choice.[505]

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over £3,000 for removing a tumour and £1,500 to £3,000 for brachycephalic obstructive airway syndrome surgery (where prices were available online).To obtain these price estimates, we looked at a small sample of FOP websites which had a large number of treatment prices quoted, according to our website review. As such this is not a representative or comprehensive sample of FOPs. For example, we used website prices from Pet Repair Vets, Highfield Vets, Warren House Vets and Park Hall Vets.

[501] The local concentration analysis for referral providers is set out in Appendix A: Local concentration analysis. Further details of how we assessed whether referral providers were located close enough to each other to be competitors are set out in that appendix. In our local concentration analysis we included referral-only centres and FOPs which employ full time Specialist vets. We did not include peripatetic vets.

[502] 13% responded 'don't know/can't remember'. Pet owners survey, Q66.

[503] Pet owners survey, Q36r3. This difference is statistically significant.

[504] Qualitative research with veterinary professionals, pp 20-21 and Summary of academic roundtable, paragraph 10.

[505] For example, some vets told us that historically 'gold standard' care was taught in universities, and that there is a gap between this teaching and the day-to-day experience of treating pets. This view was put forward, for example, at the sessions on contextualised care at the BVA Congress at the London Vet Show on 14 and 15 November 2024. Summary

Pet owners trust vets and rely on them to provide appropriate and timely information about treatment options and prices

10.25 When choosing treatments, pet owners are strongly reliant on, and have trust in, veterinary professionals' expertise. They are right to trust individual vets who are committed to protecting animal welfare and we have heard of no widespread concerns about the professional integrity of vets. Veterinary businesses provide professional advice and expertise in a commercial context. There is the potential for tension between vets' clinical assessments and the commercial interests which flow from veterinary businesses' role as sellers of treatments. Vets' commitment to animal welfare may influence their clinical advice about options, but animal welfare considerations are less likely to influence the provision of non-clinical information, such as prices or choice of referral provider.

10.26 We have set out in part A, section 3, our provisional view that the emotional context can influence pet owners' decision making.[506] The combination of reliance on vets' expertise and the likely emotional context – particularly when expensive, urgent, or serious treatments are being considered – means that pet owners tend to follow veterinary professionals' recommendations on services and treatments and that pet owners are not well-placed to assess whether these recommendations are optimal for them based on their individual circumstances. They may not know if there are alternative ways to treat the condition.

10.27 Pet owners' limited clinical expertise may mean it is difficult for them to decide between different treatment pathways, and to judge the value of a more interventionist (and possibly expensive) treatment over a simpler one. These inherent limitations of pet owners' expertise mean that pet owners are unlikely to challenge vets' recommendations, or to tell others about poor advice which may harm the FOP's reputation or lead pet owners to consider switching FOP. So, while switching or reputational effects might in principle stimulate competition in the quality of information and advice given by vets, our provisional view is that pet owners' lack of clinical knowledge renders their influence on those aspects of competition ineffective.

10.28 Ineffective competition over the quality of information and advice is to be expected in a market for professional services where pet owners are paying for the benefit of professional advice and expertise. But where that advice can result in considerable cost and emotional stress for the pet owner, it is important that there are safeguards to ensure that the pet owner's trust in the vet's clinical judgment does not undermine the ability of the pet owner to make appropriate judgments about the commercial aspects of the transaction. So, while pet owners cannot be

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of roundtable discussion with academics, paragraph 9. Summary of roundtable discussion held with senior representatives of veterinary schools via MS Teams on 16 September 2024

[506] Part A, section 3: Factors which affect how competition works in the market for veterinary services

expected to judge the clinical quality of vets, they should be protected by a regulatory framework which requires that vets provide pet owners with relevant information and assures pet owners that appropriate clinical and commercial standards are being met.

The current regulatory framework is not effective at ensuring that vets routinely provide pet owners with appropriate and timely information about treatment options and prices

10.29 Our provisional assessment is that we would expect effective regulation to ensure that pet owners are given appropriate and timely information about treatment options and prices. We would expect pet owners to be told about the price of the treatment (including any other costs to which a treatment might lead, for example ongoing medicines or aftercare); the relevant clinical information (such as the likely outcome or range of outcomes; the risks of the treatment and of doing nothing; the likely next steps; and any care the pet owner will need to provide after the treatment), and the skills and experience of the provider.[507]

10.30 As described in part A, section 14, the RCVS' Code of Professional Conduct for Veterinary Surgeons (the **Code**) and the supporting guidance to the Code (the **Guidance**) set out some requirements and expectations that vets provide appropriate and timely information about treatment options and prices. The Code requires vets to be open and honest with pet owners and respect their needs and requirements, to give independent and impartial advice and tell pet owners of any conflict of interest, to give pet owners appropriate information about the costs of services, and to communicate effectively and obtain informed consent before treatments or procedures are carried out.[508] The Guidance amplifies these requirements by saying that vets should give pet owners a range of reasonable treatment options to consider, provide estimates and information about fees,[509] and tell them about conflicts of interest for referrals.[510]

10.31 Our provisional view is that the inclusion of those provisions in the Code and Guidance recognises in principle: (i) the asymmetry of expertise and information between pet owners and their vets; (ii) that the latter's clinical obligations alone are not sufficient to ensure that services are provided competitively and that consumers are protected; and (iii) that regulation is required to address those matters because competition on its own is unlikely fully to do so. It suggests that

[507] We note that the current regulatory framework ensures that vets meet the required professional standards and that clinical standards are maintained.
[508] Code of Professional Conduct for Veterinary Surgeons - Professionals, paragraphs 2.1-2.4.
[509] Supporting Guidance, Practice Information, fees and animal insurance and Consumer rights and freedom of choice.
[510] For example, being part of the same group. Supporting Guidance, Referrals and second opinions and Consumer rights and freedom of choice.

failing to provide relevant information would have a detrimental effect on pet owners.

10.32 However, as set out in part A, section 14, there appear to us to be significant shortcomings in the current regulatory framework. Although the Code requires vets to communicate effectively with pet owners, and the Guidance advises that providing pet owners with information on treatment options and prices is required to obtain informed consent, these provisions are not effectively monitored and enforced due to a lack of statutory powers and sanctions, and they do not apply to the businesses supplying the veterinary services.[511]

10.33 While obligations to provide information are placed on individual vets, the businesses for whom vets work often have significant influence or control over the resources and procedures that might enable their compliance with such obligations. The lack of regulation of veterinary businesses, and non-vets who increasingly own them, means that regulation does not prevent business practices that conflict with or undermine vets' obligations to provide appropriate and timely information about treatment options.

10.34 There is evidence of the following:[512]

(a) a lack of support for vets to provide appropriate and timely information about treatment options; for example, through training vets to ensure that pet owners make good choices in an informed way, including support in communicating costs;

(b) a lack of support for vets to put pet owners at ease when making difficult choices; for example, to choose clinically appropriate cheaper treatment options; and

(c) some business practices, including key performance indicators, targets, clinical protocols and guidance, and IT systems, may put undue pressure on vets to recommend certain diagnostic tests or treatment options.

10.35 Our provisional assessment is that the shortcomings in the regulatory framework mean that it is not ensuring that vets routinely provide pet owners with appropriate and timely information about treatment options.

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[511] The Practice Standards Scheme (the **PSS**) Client Experience module, at General Practice accreditation level, does include a requirement that 'All relevant team members are trained in offering appropriate treatment options, considering animal welfare, financial considerations and client expectations'. This is supported by guidance notes which specify that there should be a written protocol and evidence of training in this respect. While these requirements may be having some positive effect in terms of the quality of vet-client conversations around treatment options, we do not consider – for the reasons set out in part A, section 14 – that the PSS is an effective scheme for delivering pro-competitive outcomes such as the routine provision to pet owners of appropriate and timely information about treatment options and prices. These reasons include voluntary status of the PSS, its limited coverage of the market, and the limited powers of the RCVS to effectively monitor and enforce compliance with the scheme.

[512] The subsections below set out this evidence.

There is no widespread or significant concern around foreclosure

10.36 We have considered the possibility of competitor foreclosure of independent FOPs or customer foreclosure of independent referral providers, diagnostic labs, or providers of other services (such as OOH care and crematoria) that could, in principle, arise when vertically integrated providers self-preference,[513] but have provisionally concluded that this is not a widespread or significant concern.[514]

10.37 The rest of this section sets out the evidence which supports our provisional assessment. It sets out (a) the evidence of a lack of consistency in the provision of appropriate and timely information about treatment options and prices and (b) the absence of evidence of widespread or significant concern around foreclosure.

There is evidence of a lack of consistency in the provision of appropriate and timely information about treatment options and prices

10.38 This subsection sets out more detailed evidence on the following:

(a) contextualised care;

(b) that pet owners are not routinely being given appropriate and timely information about possible treatment options, especially information about the price of treatments, in a format and at a time that enables them to appropriately consider it and, for referrals, about alternative providers;

(c) pet owners' trust and reliance on vets to provide appropriate and timely information about treatment options and prices; and

(d) that regulatory framework is not effective in ensuring that vets routinely give pet owners appropriate and timely information about possible treatment options and prices.

10.39 The evidence has informed our provisional assessment, in particular, that:

(a) on price, pet owners could be told price information more often and more consistently, in a format and at a time which enables them to consider it appropriately;

(b) on referrals specifically, pet owners could more often be made aware when alternative providers are available; and

[513] Self-preferencing refers to the practice of a business promoting or prioritising its own products or services over those of a competitor, for example a FOP within a vertically integrated vet services group prioritising referrals within the group.
[514] Rather, the concern we have provisionally identified is that there are shortcomings and inconsistencies in the information pet owners are given about treatment and referral options in all types of FOPs.

(c) there are barriers to vets helping pet owners to make good choices in informed ways.

Contextualised care

10.40 Contextualised care acknowledges that there are different ways to approach the diagnosis and treatment of an animal, depending on the circumstances of the individual animal and its caregivers, and the context in which the care is delivered.[515] As noted in part A, section 2, in the past few years contextualised care has become an important consideration, but it is a relatively new term for something which many vets have always done.[516]

10.41 High quality contextualised care is consistent with our view of a well-functioning market set out above.

10.42 Veterinary care which reflects the different wishes and circumstances of pet owners could mean that, even if the circumstances of pets are identical, it is appropriate to present options and information on them to pet owners in a way that best reflects the owners' circumstances. Contextualised care involves the consideration of a range of sometimes complex factors and can be difficult to deliver. Vets may at times make recommendations which do not appropriately reflect the circumstances of pet owners.

10.43 RCVS Knowledge (**RCVS-K**) has conducted some research into contextualised care. As its results are currently preliminary and we have not yet seen the methodology, we place limited weight on this evidence when making our provisional assessment. However, we note that the preliminary results found that [✂]. The next most popular response was [✂].[517]

10.44 The preliminary results from RCVS-K's survey indicate that [✂] and [✂].[518] Vet professionals considered that the main barriers to providing contextualised care [✂], and [✂].[519] The preliminary findings from RCVS-K qualitative research with vets mentioned [✂] which [✂]. It mentioned [✂] which [✂] and [✂].[520]

[515] RCVS-K, Contextualised Care - RCVS Knowledge (last accessed 3 October 2025).
[516] Part A, section 2: Context for the veterinary services market
[517] RCVS-K, 'Contextualised Care in Veterinary Practice–confidential pre-publication summary of findings', July 2025, [✂].
[518] RCVS-K, 'Contextualised Care in Veterinary Practice–confidential pre-publication summary of findings', July 2025, [✂]. Call with RCVS-K, 17 July 2025.
[519] RCVS-K, 'Contextualised Care in Veterinary Practice–confidential pre-publication summary of findings', July 2025, [✂].
[520] RCVS-K, 'Contextualised Care in Veterinary Practice–confidential pre-publication summary of findings', July 2025, [✂].

Pet owners are often not given alternative options for treatments

10.45 Our qualitative research indicated that vets felt there were often multiple ways to ensure an animal's welfare, allowing for various treatment approaches.[521] Where this was the case, many vets indicated that they felt a professional responsibility to ensure that pet owners were well informed of available treatment options, where possible.[522] Some vets reported concerns about receiving a complaint or being sued if they did not offer all the available options to a pet owner and the pet's condition subsequently deteriorated.[523]

10.46 Many of the vets in our qualitative research suggested there was a tension between their obligation to prioritise animal welfare, their awareness of pet owners' financial constraints, and the financial goals of their practice.[524] When discussing treatment options, the majority of vets indicated that they consider both animal-specific factors such as age, health, breed, and temperament, and owner-related factors such as insurance status or ability or willingness to pay.[525] Some vets reported that these factors might influence how they communicated options, or, if asked for their professional opinion, what they recommended.[526] However, many vets reported striving not to exclude any treatment options, as they could not pre-emptively make a judgement about what pet owners might choose to pay for.[527]

10.47 Sometimes vets present just one treatment option, often having considered some aspect or aspects of the pet owners' circumstances. Some vets reported that pet owners can feel overwhelmed by options and often seek professional recommendations.[528] Vets indicated that this is particularly common when dealing with highly emotive situations such as end-of-life care. Some vets said that they might not provide options to pet owners where they felt that the pet owner would not be able to make an informed choice (for instance, when deciding what medication to prescribe).[529]

10.48 Despite vets feeling a professional responsibility to inform pet owners of available treatment options, pet owners reported that they were often not given treatment

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[521] Qualitative research with veterinary professionals, p 13.
[522] Qualitative research with veterinary professionals, pp 5 and 16. Our qualitative research (p 5) states 'many veterinary surgeons reported that… their aim was to ensure pet owners were informed about all treatment options available, where possible.' However, we note that for some diagnoses with many available treatments, it is likely impractical to list all options and so this statement may be intended to express that vets aim to provide information on a range of the main available options.
[523] Qualitative research with veterinary professionals, p 17.
[524] Qualitative research with veterinary professionals, p 5.
[525] Qualitative research with veterinary professionals, p 14.
[526] Qualitative research with veterinary professionals, p 5.
[527] Qualitative research with veterinary professionals, p 16.
[528] Qualitative research with veterinary professionals, p 17.
[529] Qualitative research with veterinary professionals, p 23. For example, a vet at an LVG said, 'I think the trouble with giving too many choices to owners is that the whole point is they're not the informed person that can really make an informed decision. Obviously, you have to tell them about cost and things, but in terms of medical options, you give them the pros and cons … but for simple things like medicine, I just don't think the client is in any position to be able to make an informed judgement, so I probably wouldn't [give them options] … The whole point of our role and our expertise is to give recommendations as to what would be the best.'

options. When asked whether they were presented with any alternative treatment options during their most recent visit for non-routine treatments, 43% of respondents to our pet owners survey said that their vet did not provide any alternatives, compared to 42% of respondents who reported being given alternative options.[530] Likewise, in their most recent visit for a diagnostic test, 30% said that prior to this test either no other options were provided or they did not think other options were applicable.[531]

10.49 It is possible that pet owners responding to our survey failed to accurately recall the options they were given during their consultation.[532] However, for over two-thirds of survey respondents (67%), their most recent visit occurred less than six months previously,[533] and most of the participants in the cognitive testing of the survey did not report issues recalling details of their most recent visit.[534] Therefore we consider that, even if there is under-reporting, the pet owners survey indicates that a substantial number of pet owners are not given alternative treatment options.

10.50 In our qualitative research, vets reported that whether a pet owner had insurance influenced the options they give pet owners and how they communicated those options.[535] Vets suggested that whether the pet is insured affects whether they will offer more extensive or expensive options as, if the pet is insured, the pet owner is less likely to bear the full cost themselves. Responses to our pet owners survey suggest that pet owners with insurance were statistically significantly more likely to be provided with fewer treatment options than pet owners without insurance.[536]

10.51 Overall, the evidence shows that pet owners are often not given alternative treatment options. Because the appropriate number of options varies according to the circumstances and needs of the pet and pet owner, we cannot test the extent to which vets should be providing options more often than they do. However, our provisional view is that, where more than one treatment is clinically suitable, vets should understand the wish es of the pet owner, including how much they would

[530] Pet owners survey, Q52b. The remaining respondents said that they needed a second consultation (4%), could not remember whether they were given options (4%) or gave another answer (7%). We note that it is possible that there were no possible alternative treatment options for some of the 43% of respondents who were not presented with alternative treatment options, so this figure is likely an overestimate of the proportion of pet owners who could have been given greater choice of treatment options.
[531] 7% selected 'don't know/can't recall'. Pet owners survey, Q77.
[532] In response to our working papers, one LVG referred to [✂]. LVG [✂] response to the February 2025 working papers, slide 24. Our Vet Advisory Panel similarly indicated that some pet owners may have misremembered or not fully understood when they were being given multiple options. Discussion with the CMA's Veterinary Advisory Panel
[533] Pet owners survey, Q5.
[534] Vet Users Survey Report, page 15 of Appendix C.
[535] Qualitative research with veterinary professionals, p 15-16.
[536] Logistic regression analysis on a binary variable based on answers to question 52b, 'Did the vet give you any other options of different ways to treat your pet?'. The explanatory variable was whether the pet owner had insurance, either currently or within the last three years. The logistic regressions is a prediction model which shows strength and direction of association. Results are statistically significant at p value < 0.001 or at 1% significance level.

prefer to spend, as well as the circumstances of the pet owner and their pet when recommending or presenting options.

Pet owners are not given appropriate and timely information about treatment options and prices

10.52 Regardless of the number of options pet owners are given, they need certain information about these options to make informed choices. This subsection considers the evidence on whether they are given this information. Pet owners need to understand the cost implications and relevant clinical information to make an informed decision on whether to go ahead with treatment and, if so, which option to choose (where options are available). Information about treatments helps them to budget and prepare to care for their pet while it recovers. This information helps them to feel reassured that they have made the best choice on behalf of their pet.

Some pet owners are not given timely price information

10.53 We have found that some pet owners are not routinely being given the information about prices for treatments which we would expect in a well-functioning market. Unlike clinical aspects of treatments, pet owners are well-placed to understand price information. However, a pet owner's decision on whether it is worth paying for a treatment (or paying more for another treatment) depends on understanding both information on prices and the clinical aspects of treatments such as the likely clinical outcomes, which are not so easy to assess. Price information would help pet owners choose treatment options that are best for them and their pet and, even if options are not available, would assist them in understanding the financial implications of the proposed treatment and to help them budget.

10.54 Responses to our pet owners survey indicate that a significant proportion of pet owners may not be given sufficient appropriate and timely price information about treatment options. Less than half (41%) of pet owners indicated that price information was included as part of the discussion of potential treatment options with the vet during their most recent visit for non-routine treatment.[537,538] Only a slightly greater proportion of those who visited for non-routine treatment (43%) reported being given price information at all in advance of their most recent treatment.[539] We have not been provided with strong justifications for why a significant proportion of pet owners are not being given relevant pricing

[537] 10% selected 'don't remember'. Pet owners survey, Q52cr3.
[538] There was no statistically significant difference between price information provided at LVGs and independents. In this section, we only report differences between LVGs and independents in our pet owners survey where these differences are statistically significant.
[539] 4% selected 'don't know' or 'not applicable'. Pet owners survey, Q50. The proportion of pet owners provided with price information remained similar for pet owners who visited for routine visits, where 40% were given price information in advance.

information. All the LVGs told us that their internal staff guidance states that pricing should be communicated to customers ahead of the provision of any services.[540] As explained below, the RCVS supporting Guidance says that vets should provide price estimates and information about fees for a range of options as part of obtaining informed consent, which is required for all treatments.

10.55 Price estimates, when provided, were often given only orally rather than in writing. We recognise that written estimates may not always be appropriate, for example in emergencies. However, oral price estimates make it more difficult for pet owners to remember and refer to the quoted price once away from the consulting room. One LVG [✂] referred to [✂].[541] We consider that this view implicitly acknowledges that oral price information may be difficult for pet owners to recall. Being able to find and refer to quoted prices is important for pet owners so they can plan and budget for the cost and may be part of their decision whether or not to proceed with the treatment.

(a) Of those responding to our pet owners survey who were provided with price information in advance of their most recent non-routine treatment, 29% were provided with information in written form, 73% orally, and 8% saw the price on a practice list.[542]

(b) For those pet owners given price information in advance of all types of treatment (not just non-routine treatments), pet owners at LVGs were more likely to be given an itemised pricing list of the treatments to be provided than pet owners at independents (22% compared to 14%). Those at independents were more likely to be provided with price information orally (73% compared to 62% at LVGs).[543]

10.56 It is important that pet owners are given price information in a timely manner. Our pet owners survey found that more than one-third of pet owners (36%) who were given price information in advance of their most recent non-routine treatment felt unable to decline the proposed treatment and consider alternatives by the time they had been given this price information.[544] Of these, 23% reported they could

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[540] Further information is available in our working paper on How people purchase veterinary services, 6 February 2025, paragraph 5.135.
[541] LVG [✂] response to the February 2025 working papers, slide 24. While it is possible that some pet owners who were given price information [✂] subsection 'pet owners are often not given alternative options for treatments' above [✂].
[542] 4% selected 'other', 'none of the above', or 'don't know/can't remember'. Pet owners survey, Q51. This question allowed multiple options to be selected (for example, a respondent could answer that they had been provided with both oral and written information) so percentages do not sum to 100%.
[543] Both differences were statistically significant. Pet owners survey, Q51. This question allowed multiple options to be selected (for example, a respondent could answer that they had been provided with both oral and written information) so percentages do not sum to 100%. When discussing the statistically significant differences between LVGs and independents here and elsewhere in this section, we always refer to differences across all types of treatments. This is because filtering for only non-routine treatments substantially reduced the sample size.
[544] 2% selected 'don't know/can't remember'. 1% selected 'other'. This statistic combines those who responded 'No, part of the treatment or diagnosis had already occurred so it would have been impossible to go with a different option' (8%), 'No, I was already in the clinic and it would have been difficult to go with a different option' (11%), 'No, because I would have needed to change vets / have another consultation to get an alternative diagnosis or treatment' (13%), and 'No, for a different reason' (4%). Pet owners survey, Q52.

not decline because part of the treatment or diagnosis had already occurred before they been given price information. A further 31% felt they could not decline the treatment because they were already in the clinic and would have found it challenging to go with another option.[545] This is consistent with evidence from three LVGs [✂] who submitted that cost estimates are written on the consent form prior to treatment.[546] At this point pet owners are likely to have chosen their preferred course of treatment. Similarly, 24% of respondents to our pet owners survey who had used OOH care in the last two years indicated that they were informed about the cost of OOH treatment only after treatment had already been provided.[547] This is evidence that, at least in some situations, even when price information is provided, it may be provided too late for pet owners to make informed decisions about treatment options.

10.57 In our qualitative research with vet professionals, most of them told us that, typically, prices for treatments and estimates for referrals were discussed during consultations. A few vets mentioned that estimated prices would be shared by reception staff during the booking process if the customer asked for this information.[548,549] A small number of vets reported finding it challenging to discuss prices with pet owners due to their experiences with pet owners complaining about high prices.[550]

10.58 A lack of provision of price information in consultations would be less problematic if the information were easily accessible elsewhere. However, as set out in part A, section 8, price information is not consistently available to pet owners on FOP websites.[551] Where information is available, the format and level of detail differs between practices, with most practices publishing prices for only more basic, simple treatments.

10.59 Some treatments may be too variable, complex, or dependent on clinical judgement for a provider to produce a single standardised price estimate that is sufficiently informative for pet owners. For these types of treatment, pet owners are likely to rely on vets to provide information about the possible costs (including any other costs to which a treatment might lead, for example ongoing medicines or aftercare) as part of the consultation or when recommending a treatment path. Where the treatment path and therefore the total cost is unclear at the start, pet

[545] Pet owners survey, Q52. Calculated by using the combined number of respondents described in the footnote above as the denominator.
[546] LVG responses to RFI1, Q14 [✂].
[547] Pet owners survey, Q89. 44% were told price information when they called ahead of time, 16% were told the price at the OOH practice but before the treatment, 5% found the price out themselves beforehand (for example on a website), 4% knew the price from previous use of the service, 7% selected other or don't know/can't recall.
[548] Qualitative research with veterinary professionals, pp 20-21.
[549] It is not clear from our qualitative research to what extent these comments apply to both routine and non-routine treatment options.
[550] Qualitative research with veterinary professionals, p 20. One attendee of our roundtable with academics referred to the view that if prices were mentioned by the vet, the pet owner might think the vet was focused on price rather than animal welfare. Summary of academic roundtable, paragraph 10.
[551] Part A, section 8: Competition between FOPs

owners rely on vets to provide updates on estimated costs, particularly at decision points.

10.60 It is important that pet owners receive sufficiently detailed information about the cost of the treatment option or diagnostic test their pet has undergone. The RCVS Guidance currently states that all invoices should be itemised to display the costs of individual medicines and services, including any additional administrative charges.[552] Itemised final invoices can help pet owners to understand what they have been charged for and how the price of each item compares to the price estimates received prior to treatment. Detailed invoices may also enable pet owners to better consider prices when making subsequent treatment choices.

10.61 The evidence we have gathered suggests that both LVGs and independent practices are not doing enough to ensure that their vets are routinely making pet owners aware of prices before the pet owner decides on treatment for their pet. This might, in some cases, lead to pet owners selecting treatments that they would not have chosen had they been better informed and therefore lead to them paying more than they would have done, had they known the price of potential treatment options. A related concern is that some vets may not be effectively considering pet owner preferences on cost when recommending or delivering care. Where vets do not share specific price information with pet owners,[553] a concern is that some vets may be basing their recommendations on a general understanding of a pet owner's views on costs, which may not reflect how a pet owner would react to being given more specific information on the price differences of certain options.

There is some evidence that pet owners are given some clinical and other information which helps them choose between treatments

10.62 Alongside the likely cost of the treatment, pet owners need other information to help them choose the best treatment option for their pet. This includes relevant clinical information and information about the skills and experience of the provider.

10.63 Evidence from our pet owners survey indicates that most people are given information on the likely clinical outcomes of a treatment. For non-routine treatments, 79% of pet owners were told about the likely outcomes of each treatment option offered by the vet.[554] Considering all types of treatment (not just non-routine treatments), respondents to the survey who used independent FOPs

[552] RCVS Supporting Guidance, paragraph 10.16. 10. Consumer rights and freedom of choice - Professionals
[553] As set out above, less than half (43%) of the respondents to our pet owners survey reported that they had been provided with price information in advance of their most recent non-routine treatment. 4% responded 'don't know/can't remember'. Pet owners survey, Q50.
[554] 8% selected 'don't remember'. Pet owners survey, Q52cr1.

were more likely to be given information on the potential outcomes of each treatment option than those who used LVGs (65% compared to 60%).[555]

10.64 Information about the qualifications and experience of vets who would perform different treatments would help pet owners distinguish between options. However, while some FOP websites provide information on qualifications, we have not seen evidence that the experience or qualifications of the vets carrying out a procedure are made clear to pet owners in advance. None of the LVG FOP and referral provider consent forms we have reviewed, for instance, contained information on this.

10.65 Pet owners are not consistently aware of the distinction between FOP vets, Advanced Practitioners and Specialist vets at the FOP or at a referral provider and the value they provide.[556] The British College of Veterinary Specialists (**BCVSp**) submitted that some vets may use the term 'Specialist' without RCVS registration, and that when seeking a referral this can make it 'very difficult for [pet owners] to inform themselves where to turn, or indeed how much it is reasonable for that further expertise to cost'.[557] Evidence from roundtable discussions with animal charities and vets indicates that lack of understanding of Specialist qualifications can lead to misunderstandings about the quality of care being provided.[558] This may mean that even when some information on qualifications and experience is available, this may not be sufficiently explained to pet owners to help them make decisions.

Even though referral provider options are often available, pet owners are not routinely given information about them

10.66 For referrals, as well as the need to be informed of possible treatment options, there is a further choice involved, namely which provider (vet and/or referral provider) to be referred to for treatment or diagnosis. This subsection covers the evidence on the referral provider options which pet owners have in local areas, and whether pet owners are being told about the range of providers (including relevant information on them, such as the potential costs of the referral treatment

[555] The difference was statistically significant. 15% of respondents using LVGs selected 'don't remember' compared to 12% at independent FOPs. Pet owners survey, Q52cr1.
[556] As set out by the RCVS, Specialists have at least a postgraduate diploma level qualification (Specialist status – Professionals, accessed 16 September 2025)) and Advanced Practitioners status is an official recognition of a veterinary surgeon's particular knowledge and skills in a designated field of veterinary practice (Advanced Practitioner status, accessed 16 September 2025).
[557] BCVS response to consultation, March 2024, pp 1-2.https://assets.publishing.service.gov.uk/media/664dfd80ae748c43d379407c/British_College_of_Veterinary_Specialists__BCVS__Redacted.pdf
[558] Discussions with vets from animal charities indicated that there was a general lack of understanding among pet owners of what a Specialist vet was, and assumptions among many that a referral centres visit would mean their pet was seen by a Specialist, despite this not always being the case. (Summary of animal charity roundtable discussions, paragraphs 17-18). In another roundtable, a vet said that it can be confusing for pet owners to understand whether a vet has a specialist qualification or not. Another attendee indicated pet owners may overpay for the same treatment at referral centres compared to FOPs, due to perceptions about the quality of care available at hospitals. (Summary of Edinburgh roundtable discussions, paragraph 13).

(when it is possible to indicate them) and if relevant the group to which the referral provider belongs).

There are generally referral provider options available to pet owners, though some local areas have limited potential options

10.67 Our assessment of competition within local areas, which is set out in appendix A, shows that in most areas there are multiple referral providers,[559] at least for more common specialisms such as diagnostic imaging, orthopaedic surgery, and dentistry. Our analysis suggests that the vast majority (86%) of referral providers are located in areas with at least four local referral providers. A further 13% of providers are located in areas with three local providers, and 2% have two local providers. On that basis, there is significant potential for competition between referral providers within local areas and for referral providers to be competing on a range of measures including price, outcomes, customer service, staff level of experience and qualifications, and waiting times.

Pet owners are not routinely given the choice of more than one referral provider

10.68 Pet owners are likely to rely on their FOP vet to identify when there is more than one provider at which the required treatment is available (potentially including a referral to another vet within the same FOP or a peripatetic vet who visits the FOP to provide care).

10.69 Some vets in our qualitative research indicated that in situations where there were multiple options for referral available, they considered a range of factors including clinical specialism, location and convenience to the pet owner, price, details within insurance policies about specific referral requirements, and the availability of timely appointments.[560] Some vets mentioned offering external referrals, even if the procedure or treatment could be provided in-house, because they felt it was important to present all options to pet owners, including access to higher-level expertise.[561,562]

10.70 The results from our pet owners survey indicate that pet owners needing referrals were often, but not always, given options for the treatment, but they were substantially less frequently given a choice of treatment provider. Around half (49%) of those given a referral reported being offered a range of treatment

[559] In our local area analysis we included referral-only centres and FOPs which employ full time Specialist vets. We did not include peripatetic vets. More detail is available in appendix A: Local concentration analysis.
[560] Qualitative research with veterinary professionals, p 6.
[561] Qualitative research with veterinary professionals, p 46.
[562] In cases where a pet owner did not want a referral, whether due to financial reasons or other factors such as the pet's broader prognosis, vets participating in our qualitative research reported that alternative options were usually discussed. These options included conducting a procedure in-house, pursuing other treatment options, or in some instances, euthanasia. Qualitative research with veterinary professionals, p 45.

options, whereas a quarter (25%) were not.[563] Regarding treatment provider, 30% said they were told about at least two vets or locations they could go for their referral, but the majority (58%) were not.[564]

10.71 Considering our assessment of competition within local areas for referral providers as set out above, we would expect that for common referral treatments[565] there is likely to be more than one option for the referral treatment location in most local areas. Our pet owners survey results suggest that referring FOPs could do more to make pet owners aware that there are options for referral providers as part of providing high quality advice (and to facilitate effective competition between referral providers). Even if a referral provider is further away, it is possible a pet owner may prefer it; for example, if it means that they can be seen more quickly, or at a lower cost. By making pet owners aware when there are alternative referral providers, FOP vets can stimulate competition between referral providers for customers.

10.72 Our Vet Advisory Panel and our qualitative research provided insights into reasons why pet owners might not be offered alternative options for referral treatment providers:

(a) The panel advised that FOP vets often make referrals with a specific vet or practice in mind.[566] Similarly in our qualitative research, many vets indicated that they had 'go-to' providers for specific types of cases, often chosen based on experience and previous positive interactions.[567] In this situation, pet owners would be unlikely to be given a choice of referral locations. We note that giving pet owners a choice of locations does not preclude the vet sharing their knowledge and experience (positive or otherwise) of those providers.

(b) The number of referral provider options available to pet owners varies depending on location, complexity of the case or specialism required.[568]

(c) In cases where highly specialist or emergency care is required, particularly when out-of-hours, the panel indicated that vets are likely to consider the options and then share a single recommendation with pet owners, even if there are alternative referral providers nearby. This is because practice staff will first have coordinated with potential referral providers to evaluate whether they have the necessary capacity or expertise to care for the pet.[569]

[563] 13% selected 'don't remember'. 12% selected 'not applicable'. Pet owners survey, Q63r4.
[564] 13% selected 'don't know/can't remember'. Pet owners survey, Q66.
[565] For example, orthopaedic treatments such as TPLO and patellar luxation, soft tissue treatments such as BOAS, and imaging such as CT and ultrasound.
[566] Discussion with the CMA's Veterinary Advisory Panel
[567] Qualitative research with veterinary professionals, p 47.
[568] Qualitative research with veterinary professionals, p 47.
[569] Discussion with the CMA's Veterinary Advisory Panel

10.73 Evidence from our qualitative research with vet professionals and LVG internal documents indicates that some vertically integrated LVGs may be encouraging in-group referrals.

(a) A number of vets working in vertically integrated LVGs[570] reported that they were encouraged to refer to group-owned referral centres.[571] However, there were differences between vertically integrated LVGs, with vets working at some LVGs reporting that they received encouragement more than those working at others.

(b) Internal documents from some LVGs indicate that self-preferencing referrals was an important motivator in deciding which practices to acquire.[572]

(c) Internal documents from the private equity investors in [✂], [✂] and [✂] evaluated the purchase of these businesses and considered subsequent strategic priorities. These documents indicate that the private equity firms considered FOPs to be gateways to other veterinary services and could be used to direct patients to group-owned sites.[573]

However, we have not found evidence that, in practice, vets at vertically integrated LVGs are less likely to give referral provider options, compared to other vets. We have therefore not provisionally found concerns in relation to in-group referrals.[574]

Pet owners are not routinely given appropriate and timely information about referral providers

10.74 Location is likely to be an important factor in pet owners' choices, but information about costs (when it is possible to indicate them), likely outcomes, expertise of the provider, availability of appointments, and the group to which the referral provider

[570] As set out in part A, section 2: Context for the veterinary services market, CVS owns 9 referral centres, IVC owns 11, Linnaeus owns 18, Medivet owns three, and VetPartners owns two. Pets at Home does not own any referral centres.
[571] Qualitative research with veterinary professionals, p 50.
[572] For instance, one LVG's [✂] acquisition documents consistently highlighted opportunities to re-direct the provision of a range of related services [✂] to [✂] sites owned by the LVG following acquisition. The documents that we have reviewed show that this is a key part of the LVG's [✂] rationale for continuing to make add-on acquisitions in the sector. LVG [✂] response to RFI3, '[✂]' (acquired 2020), pp 6 and 8; LVG [✂] response to RFI3, '[✂]', (acquired 2021), p 5; LVG [✂] response to RFI3, '[✂]' (acquired 2022), p 10. Another LVG's [✂] acquisition document highlighted opportunities for referral synergies from increasing referrals to a nearby referral centre owned by the LVG. LVG [✂] response to RFI3, [✂], p 2; LVG [✂] response to RFI3, [✂], p 2. We note that this LVG [✂] submitted in response to our working papers that the potential upsides identified in these documents did not form part of the economic business case for the acquisitions. LVG [✂] response to working papers (confidential version), March 2025, paragraph [✂]. While we agree that the documents do not necessarily imply the that the opportunity to redirect referrals within group was an important motivation for the acquisitions or that, in themselves, they necessarily demonstrate the ability to self-preference, they do suggest that increased referrals through newly acquired FOPs was seen as a plausible outcome of the transaction.
[573] For example, Private Equity response to RFI1 [✂]; Private Equity response to RFI1 [✂], [✂]; and Private Equity response to RFI1 [✂].
[574] We discussed the evidence about vertically integrated LVG's ability and incentive to self-preference in more detail in our working paper on Business Models, Provision of Veterinary Advice and Consumer Choice. Working paper on Business models, provision of veterinary advice and consumer choice, 6 February 2025, paragraphs 3.26-3.41.

belongs may help pet owners decide whether to use a referral provider or, where applicable, choose between providers.

10.75 FOPs are likely to have a role in providing information about referral providers. FOP vets are better placed than pet owners to assess clinical quality (even if other information, such as price or appointment availability, may be relatively easily understood by pet owners and may be obtained by contacting referral providers directly or accessing their websites). The provision by FOP vets of advice that helps pet owners make informed choices is an aspect of the quality of service they provide, as well as being likely to incentivise referral providers to compete including by differentiating their offerings.

Some pet owners are not given price information about referral treatments

10.76 Results from our pet owners survey indicate that less than half of pet owners were given price information by their FOP vet when being referred. Where a referral visit was recommended, 48% of pet owners reported that the referring vet provided information on the price of a consultation at the referral provider,[575] and 43% said they were informed of the price of each treatment or diagnostic option.[576]

10.77 For pet owners who are not informed about referral prices in advance by their referring vet, price information on referral websites could help pet owners understand likely costs and to choose between providers. Information about the prices of referral-only providers is not consistently being made available on their websites. Our analysis of websites from LVG- and independent-owned referral-only providers showed that 63% of these contained at least some pricing information, though this varied substantially between LVGs, and between LVGs and independents.[577, 578] Many websites (52%) contained detailed pricing information, with websites that contained price information showing 33 prices on average.[579] Where referral providers do not publish prices online, the information becomes more difficult for FOP vets to access and report to pet owners considering a referral (and it becomes more difficult for pet owners to access this price information directly from a referral provider).

[575] 13% responded 'don't remember' and 8% responded 'not applicable'. Pet owners survey Q63r2.
[576] 17% responded 'don't remember' and 8% responded 'not applicable'. Pet owners survey Q63r3.
[577] For instance, 100% of [✂] sites surveyed contained at least some fixed pricing information, compared to 62% of [✂] sites and 33% of [✂] sites. 67% of [✂] sites surveyed contained some fixed pricing information, as did 75% of [✂] sites, though these are based on very small samples (three and four sites, respectively). 53% of independent referral-only sites contained some fixed pricing information.
[578] This analysis was conducted in June 2025. We reviewed 97 websites from referral-only providers based on the dataset described in the subsection 'There are generally referral provider options available to pet owners, though some local areas have limited potential options' above. Of these, three were excluded from our analysis because their websites were inaccessible or the practice had shut down, leaving a final sample of 94 websites.
[579] This ranged substantially from sites containing one price, to a few sites containing over 100 prices. The median was 17 prices. On some websites, price lists included multiple prices for the same treatment based on factors such as pet weight or breed.

10.78 Our website analysis indicates that some detailed pricing information is available for some types of referral treatments; however, this information is not comprehensive, as it is not available on all websites and does not cover all treatments. We recognise that, although it may be possible to provide fixed pricing information for some common treatments, due to the bespoke nature of many referral treatments, it is not possible to provide detailed fixed pricing information for all treatments. Therefore, alongside increased provision of pricing information on referral websites, we consider that, where possible, FOPs and referral providers have an important role in highlighting the online availability of, or providing, bespoke price information directly to pet owners when they are considering a referral as their preferred option.

There is some evidence that pet owners are not always given information about relevant non-price aspects of referrals, in particular the ownership of referral providers

10.79 The RCVS supporting Guidance makes clear that 'when referring cases, veterinary surgeons should explain any links to the referral practice that could be considered a conflict of interest… including where the practice being referred to is owned by the same group'.[580] The ownership of referral providers may separately be important for pet owners who may wish to consider the reputation of the group to which a referral provider belongs.

10.80 There is a lack of easily accessible information about the ownership of referral providers.

(a) Results from our pet owners survey indicate that many pet owners are not being given information on the ownership of the referral providers they are recommended. In particular, 42% of pet owners who were referred to a practice other than their main practice did not know who owned the practice to which they were referred.[581] While the remaining respondents said they were aware of the ownership of their referral practice, we note that a considerable number of respondents incorrectly identified the ownership of their FOP (53% of those at an LVG did not know that their vet was part of an LVG),[582] so it is plausible that this extends to referral practices. Given that the Guidance currently requires disclosure of ownership only for referrals within the same group, the relatively low percentage of pet owners who were given information on the ownership of the referral provider may indicate that vets are primarily disclosing ownership when referring within the same group.

[580] RCVS supporting Guidance, chapter 1, paragraph 1.7.
[581] Pet owners survey, Q74.
[582] Pet owners survey report, p 51. Quant_Market_Research_Report___Accent.pdf

(b) In our analysis of websites from referral-only providers, we found less than 7% of LVG-owned websites displayed ownership information prominently on the homepage.[583]

10.81 Ownership information can be conveyed to pet owners either by the FOP or by the referral provider directly. As set out in the supporting Guidance, FOP vets should inform pet owners if referral providers are part of the same group. Even if referral providers are part of a different group, ownership information may be important to pet owners. Where a choice is available, ownership information may help them choose between referral providers. The lack of easy access to information about the ownership of referral providers – for example, information displayed prominently on the referral provider's website – means that is not easy for FOPs to tell pet owners the ownership of the provider(s) they are recommending.

10.82 Similarly to treatment options, evidence from our pet owners survey indicates that most people were given information on the likely treatment outcomes for their pet when it was referred. Where a referral visit was recommended, 65% of pet owners reported that the vet provided information on the potential outcomes of this referral during the discussion of treatment options.[584]

10.83 For referrals, the speed at which a pet can be seen is important in many cases and a substantial number of pet owners appear not to be given this information. In our pet owners survey, 53% of respondents said they were given information about how quickly they could be seen at the referral location,[585] but 22% were not (and 16% could not remember).[586]

Pet owners trust vets and rely on them to provide appropriate and timely information about treatments

10.84 In this subsection we provide evidence relevant to our provisional assessment that pet owners are strongly reliant on, and have trust in, vets to provide appropriate and timely information about treatments. As discussed above and set out in part A, section 3,[587] it is difficult for pet owners to choose between different treatment pathways, or to evaluate the quality of service received, even retrospectively.[588]

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[583] For example, by presenting ownership information near the top of the page or in large font. The majority of LVG-owned referral providers included ownership information in small text at the bottom of their websites. Including all ownership information (even when not displayed prominently), 94% of LVG-owned referral providers' websites included ownership information. Only three LVG-owned providers did not contain ownership information. These sites were operated by [✂]. Ownership information was available on 60% of independent-owned referral centre websites and this information was typically displayed prominently. An independently owned website was considered to display ownership information if it used wording such as 'independent provider' or equivalent.
[584] 16% selected 'don't remember'. 10% selected 'not applicable'. Pet owners survey, Q63r1.
[585] Which is likely to be an important aspect of overall service quality.
[586] Pet owners survey, Q63r6. 9% selected 'not applicable'.
[587] Part A, section 3: factors which affect how competition works in the market for veterinary services
[588] Multiple responses to our working papers acknowledged an information asymmetry in the veterinary sector. CVS response to the February 2025 working papers, 21 March 2025,p 12; Linnaeus response to the February 2025 working papers, 21 March 2025, paragraph 4.15; Medivet response to the February 2025 working papers, 21 March 2025, paragraph 3.15(a).

The potentially complex nature of non-routine diagnoses and treatments, including for referrals and OOH treatment, and pet owners' more limited experience of these, means we may expect pet owners to be particularly reliant on advice from vets for these services.

10.85 As set out in part A, section 3,[589] pet owners have high levels of trust in vets and their recommendations.[590] Evidence from internal documents from some of the LVGs demonstrates the importance of trust within relationships between vets and pet owners. For example:

(a) In an LVG [✂] internal document [✂].[591]

(b) The same LVG's [✂] Best Practice Guide says, '[✂]'.[592]

(c) In a strategic document from the same LVG [✂], '[✂]'.[593]

10.86 Due to this trust, most respondents to our pet owners survey did not conduct their own research on alternatives to the treatment or referral their vet recommended. Three-quarters of respondents to our survey (75%) stated that they did not conduct their own research on alternatives to the treatment they were recommended by their vet.[594] When considering options for a referral, almost two-thirds of pet owners (64%) did not conduct their own research.[595] In both cases, the most commonly reported reason for this was trusting the vet's decision. Similarly, some pet owners' trust in vets may lead them to comply with treatment recommendations even when they doubt the 'necessity' of the treatment. A 2023 survey of pet owners conducted by Which? found that of 549 pet owners who 'doubted the necessity of a treatment', over half proceeded with treatment anyway.[596]

10.87 Regarding referrals, where treatments are often more complex and the information asymmetry is particularly acute, internal documents from LVGs show that pet owners rely on their vets' referral recommendations.

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[589] Part A, section 3: factors which affect how competition works in the market for veterinary services
[590] Most respondents to our pet owners survey (88%) reported that they trusted vets to provide the highest standard of care (Pet owners survey, Q36r1). 63% cited trust in their vet as a reason for their choosing to accept a referral recommendation and 64% citied trust as a reason for accepting a recommended diagnostic test. Pet owners survey, Q69 and Q81r1.
[591] LVG response to RFI3, Q26 [✂]
[592] LVG response to RFI3, Q26 [✂]
[593] LVG response to RFI4, Q3 [✂]
[594] Pet owners survey Q53. "No, because I did not realise I could" (6%), "No because I trusted the vet to make the right decision for my pet" (61%), and "No, because I was unable to do so" (8%). A further 7% selected 'don't know/can't remember'.
[595] Pet owners survey, Q67. "No, because I did not realise I could" (7%), "No because I trusted the vet to make the right decision for my pet" (47%), and "No, because I was unable to do so" (10%). 7% selected 'don't know/can't remember'.
[596] Which? consumer harm in veterinary services, 22/12/23, page 21.

(a) In 2022 consumer research from an LVG [✂], 77% of those customers surveyed said that their choice of referral centre location was heavily reliant on the vet's advice.[597]

(b) An LVG [✂] marketing strategy document for its referral centre [✂], notes that 'clients are heavily influenced by their referring vet with little knowledge of referral centres and what options are available or where their pet can be treated'.[598]

10.88 Qualitative research with pet owners carried out as part of the CMA's market review found that the majority of pet owners felt that they did not have the knowledge or expertise to question the referral or the recommendation of referral provider, and none of those interviewed undertook their own research to identify the options available to them.[599]

10.89 The emotional context of treatments (discussed in part A, section 3),[600] is likely to increase pet owners' reliance on their vets' recommendations for the most expensive, urgent, or serious treatments.[601] Given the urgency of OOH treatments[602] and the cost and more advanced nature of specialist referral treatments, pet owners may be more reliant on their vets' recommendations in such contexts.

The current regulatory framework is not effective in ensuring that vets routinely provide pet owners with appropriate and timely information about treatment options and prices

10.90 In our provisional assessment above we explained that we would expect effective regulation to ensure that pet owners are given appropriate and timely information about treatment options and prices.

10.91 In this subsection we set out the evidence indicating that there is a lack of regulatory pressure to ensure FOPs provide treatment and referral options (and information about these options), and that this means that FOPs and referral providers may act in ways they would not in a well-functioning market. This is a

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[597] LVG response to RFI3, Q22 [✂]
[598] LVG response to RFI3, Q15 [✂]
[599] Qualitative consumer research with pet owners, pp 36-39.
[600] Part A, section 3: factors which affect how competition works in the market for veterinary services
[601] For example, in a roundtable conversation with groups that represent or help pet owners, attendees talked about the emotional toll of making decisions about veterinary care. One attendee noted that people do not ask questions when they are anxious and nervous. Summary of consumer roundtable discussions, paragraph 5.
Qualitative consumer experience research conducted on behalf of an LVG [✂] indicates that [✂]. LVG response to RFI3, Q22 [✂]
[602] Relative to a visit to their FOP, some respondents to our pet owners survey reported that they felt higher levels of stress when visiting OOH practices, with 25% saying they felt more stress, 50% saying they felt the same and 10% saying they felt less stress (Pet owners survey, Q90r3. 16% N/A/Don't know). Some respondents reported that they felt more pressure to make decisions about treatment at OOH practices, with 17% saying they felt more pressure, 55% saying they felt the same and 10% saying they felt less pressure (Pet owners survey, Q90r4. 19% N/A/Don't know).

result of the shortcomings in regulatory framework that we set out in our provisional assessment.

The Code and supporting Guidance expect vets to provide options and information

10.92 As set out in more detail in part A, section 14, the Code and Guidance set out some requirements and expectations on providing treatment and referral options:

(a) The Code states that vets must communicate effectively with clients and ensure they obtain informed consent before treatments or procedures are carried out.[603] The Guidance covers how to obtain informed consent,[604] including giving clients a range of reasonable treatment options to consider, and how to communicate estimates and fees.[605]

(b) On referrals specifically, the Code states that vets must refer cases responsibly and in the best interests of the animal.[606] Supporting Guidance states that vets should record the reasons for their referral decisions and be able to justify them. If vets consider a real or perceived conflict of interest arises from any referral-based incentives or any links they have to a referral practice, they should inform pet owners.[607]

10.93 As part of its Preliminary Investigation Committee (**PIC**) decision-making guidance, the RCVS has identified some areas of 'particular concern' where breaches of the Code may be occurring, and may lead to further investigation and potential progression through the RCVS disciplinary process which could result in the imposition of sanctions.[608] One of the 'particular' concerns is 'Failure to obtain informed consent to treatment or to discuss treatment options and possible complications'.

10.94 Our provisional view is that the provisions in the Code and supporting Guidance, especially around informed consent, recognise the asymmetry of expertise and information between pet owners and their vets. Provisions around real or perceived conflicts of interest recognise the potential for a conflict between vets' clinical and commercial interests, at least for referrals.

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[603] RCVS Code, paragraph 2.4.
[604] Supporting Guidance, Communication and consent.
[605] Supporting Guidance, Practice Information, fees and animal insurance and Consumer rights and freedom of choice. For example, the Guidance says that an estimate should 'preferably be provided in writing, especially where treatment involves surgery, general anaesthetic, intensive care or hospitalisation'. Section 9.10 (e) of the supporting Guidance for the RCVS Code of Professional Conduct for Veterinary Surgeons RCVS Supporting Guidance.
[606] RCVS Code, paragraph 1.2.
[607] For example, being part of the same group. Supporting Guidance, Referrals and second opinions and Consumer rights and freedom of choice. Additional information on what the supporting Guidance states on referrals is provided in part A, section 14: Regulatory framework for veterinary services.
[608] The RCVS website, Areas of particular concern - Professionals. Last accessed 8 July 2025.

Significant shortcomings in the regulatory framework mean there is scope for vets and veterinary businesses to provide better information about treatments

10.95 Although the Code and supporting Guidance have provisions intended to help vets to ensure that pet owners are given appropriate and timely information about treatments, the evidence set out in the subsection 'some pet owners are not given timely price information' above indicates that those provisions may not be consistently followed in practice.

10.96 As described in part A, section 14, our provisional view is that the current regulatory framework is not effective in ensuring that pet owners are routinely given appropriate and timely information that helps them make informed choices about the services they buy. In particular:

(a) The RCVS has very limited ability to monitor whether vets comply with the Code and take proper account of the supporting Guidance. Even if the RCVS were to identify such a failure, it would have very limited ability to act because such a failure is likely in many cases to fall far short of the serious professional misconduct in respect of which the RCVS can take formal disciplinary action. As explained in more detail in part A, section 14 we have found only two cases in a five-year period where shortcomings in respect of informed consent were regarded as sufficiently serious enough to warrant formal disciplinary action.

(b) The regulatory framework applies only to vets and vet nurses, and the RCVS has no statutory remit over veterinary businesses. There is a range of people (shareholders, investors and managers) who have significant influence over the decisions which some veterinary businesses make and over the conduct of the vets and vet nurses they employ, but these non-vets are not covered by the regulatory framework. While the RCVS has attempted to fill the regulatory gap with the introduction of the Practice Standards Scheme (the **PSS**),[609] the PSS does not contain, for example, any specific prohibitions on businesses relating to key performance indicators (**KPIs**) or targets that could adversely impact vets' behaviour. As described in more detail in part A, section 14 our preliminary view is that shortcomings in the current PSS, including its voluntary nature and the limited monitoring of its effectiveness, mean it has not been sufficiently effective.[610]

(c) The regulatory framework does not adequately seek to promote competition and protect consumers. Regarding referrals, there is no explicit reference in

[609] While a Practice Standards Scheme applies the consumer-facing provisions of the RCVS Code to vet practices, it is voluntary; and the RCVS has no sanctions against practices which do not follow these elements beyond removing them from the scheme.
[610] Part A, section 14: Regulatory framework for veterinary services

the Code or supporting Guidance that pet owners should be told about alternative suppliers and given relevant information about them, where available.

Conflicts may arise between business practices and vets' regulatory obligations to provide appropriate and timely information about treatment options and prices

10.97 This subsection sets out the evidence which has informed our provisional view that there are barriers to vets helping pet owners make good choices in informed ways. In particular, vets can sometimes find it challenging to discuss prices with pet owners.[611] The support vets are given on presenting pet owners with treatment choices and prices (sometimes in difficult circumstances)[612] and on putting pet owners at ease to make difficult choices is not consistent. The lack of regulation of veterinary businesses and non-vet owners and controllers means there is the potential for business practices to conflict with vets' regulatory obligations to provide appropriate and timely information about treatment options.

Lack of support and effective training for vets on providing information on options

10.98 Discussing treatment options and prices with pet owners, taking account of their circumstances and wishes, can be a complex matter for vets given the range of considerations involved. It is important that vets are given support and training. This will enable them to provide appropriate and timely information about treatment options.

10.99 Less experienced vets may particularly struggle with implementing contextualised care,[613] and may be less confident in judging what treatment to recommend based on an examination only or a more limited range of tests.[614] This may be due to fears around a less comprehensive treatment not working.[615] Vets have told us that there is sometimes a gap between gold standard care as taught in vet school and the day-to-day experience of treating pets, but that newly qualified vets are

[611] Qualitative research with veterinary professionals, pp 20-21 and Summary of academic roundtable, paragraph 10. Approaches to communicating prices can differ between vets (including in the same practice), and between consultations with the same vet. Qualitative research with veterinary professionals, p 20-21.
[612] For example, some vets told us that historically 'gold standard' care was taught in universities, and that there is a gap between this teaching and the day-to-day experience of treating pets. A view put forward, for example, at the sessions on contextualised care at the BVA Congress at the London Vet Show on 14 and 15 November 2024. Summary of roundtable discussion with academics, paragraph 9. Summary of roundtable discussion held with senior representatives of veterinary schools via MS Teams on 16 September 2024
[613] Summary of roundtable discussion with newly qualified vets, paragraph 9 Summary of vet student and new graduates roundtable discussions. Summary of roundtable with veterinary nurses, paragraph 28. Summary of roundtable discussion held with Registered Veterinary Nurses via MS Teams on 23 September 2024.
[614] Summary of roundtable with newly qualified vets, paragraph 8. Summary of roundtable discussion held with newly qualified vets via MS Teams on 19 September 2024. Summary of roundtable with academics, paragraph 12. Summary of roundtable discussion held with senior representatives of veterinary schools via MS Teams on 16 September 2024.
[615] For example, an attendee in a roundtable said that there was some fear around offering contextualised care in case the treatment did not work. Summary of roundtable with veterinary nurses, paragraph 28. Summary of roundtable discussion held with Registered Veterinary Nurses via MS Teams on 23 September 2024

not always prepared for this.[616, 617] This may lead to instances of 'defensive medicine', where the least risky treatment option is recommended, even when other diagnosis and treatment options may be appropriate and may be preferred by the pet owner if they were aware of them. The preliminary results of the RCVS-K research about contextualised care found that [✂].[618] RCVS-K preliminary qualitative findings were that education change should include an [✂] and [✂].[619]

10.100 We collected information from the RCVS, LVGs, vet associations and industry bodies on the training they provide to vets in relation to offering treatment and referral options, including the provision of contextualised care.[620] Overall, there appears to be limited specific training and support given to vets on (a) when and why it might be appropriate to offer a range of treatment options, (b) methods for communicating information, including cost, on an appropriate range of treatment options to pet owners, or (c) methods for understanding pet owners' wishes and circumstances and making recommendations based on these. Even where training or support is available, there is no obligation for vets to engage with it.

(a) **The RCVS:** The RCVS provides some guidance and training on communicating cost, informed consent, and contextualised care through its online learning platform the RCVS Academy.[621, 622] The RCVS has told us that, when it makes changes to the Code or supporting Guidance, it may raise vets' awareness of these through publishing guidance resources on its website, an e-newsletter sent to all members of the profession, and (sometimes) a press release and social media work.[623]

(b) **LVGs:** All the LVGs offer some level of continuous professional development (**CPD**) budget to their staff for internal or external training,[624] and many LVGs

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[616] A view put forward, for example, at the sessions on contextualised care at the BVA Congress at the London Vet Show on 14 and 15 November 2024.
[617] We note that some attendees at our roundtable with academics said that while gold standard care used to be the standard taught at vet school, there has been a shift towards teaching a staggered approach to care in recent years whereby simpler tests and treatments are offered first. Summary of roundtable with academics, paragraph 9. Summary of academic roundtable discussions.
[618] RCVS-K, 'Contextualised Care in Veterinary Practice–confidential pre-publication summary of findings', July 2025, [✂]. We note that as explained above, given these results are currently preliminary and we have not yet seen the methodology, we treat this research with caution and place limited weight on this evidence.
[619] RCVS-K, 'Contextualised Care in Veterinary Practice–confidential pre-publication summary of findings', July 2025, [✂].
[620] For completeness, we note that we have not systematically gathered information on the training provided by independent vets on these topics.
[621] The RCVS has a digital learning platform called 'RCVS Academy' which contains courses specifically on 'Communicating cost' and 'Informed consent'. RCVS Academy. RCVS-K, the RCVS' charity partner, has a dedicated page on contextualised care with links to relevant academic literature that provides background information and examples of how contextualised care can be provided in practice. Contextualised Care Hub; RCVS RFI3 response, question 35.
[622] For example, the RVCS released a short course on 'Communicating cost' in January 2025, which covers vet and nurse obligations in relation to communicating fees and also contains some information regarding informed consent and contextualised care. RCVS Academy launches new course to enhance veterinary professionals' client communication [accessed August 2025].
[623] RVCS RFI3 response, question 36.
[624] LVG [✂] RFI13 response, question 11(b); LVG [✂] RFI13 response, question 11(b); LVG [✂] RFI13 response, question 11(b); LVG [✂] RFI13 response, question 11(b); LVG [✂] response to putback, September 2025; LVG [✂] RFI13 response, question 13(a); LVG [✂] RFI13 response, question 14.

have indicated that staff have discretion over how to allocate their CPD budget and time.[625] We have not seen evidence that LVGs actively encourage their vets to undertake training in contextualised care or options communication as part of their CPD. Some LVGs provide training on contextualised care and give practical advice on how to provide a range of options, often as part of broader training resources focused on consultation and communication skills.[626] The extent of training on these topics is inconsistent across LVGs, and some of the training and guidance materials we have seen instead focus on providing a single recommendation, without necessarily sharing with pet owners the range of options considered by the vet.[627]

(c) **Industry bodies**: Some industry bodies provide guidance and support on contextualised care, transparency, and pet owner choice.[628] We note, however, that veterinary professionals are not required to follow this guidance.

(d) **Qualitative research:** Our qualitative research found that most vets had received little or no formal training on communicating prices to pet owners.[629]

Lack of support for vets on putting customers at ease about making difficult choices

10.101 Given the increasing availability of advanced treatment and associated higher costs, vets have an important role in explaining how, in certain circumstances, less expensive options remain clinically appropriate. In this way, vets can put pet owners at ease about choosing less expensive treatment options. Vets are in a special position to do this due to pet owners' reliance on, and trust in, them. Putting pet owners at ease may include having difficult conversations with pet owners about how euthanasia can help reduce animal suffering in certain circumstances.

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[625] LVG [✂] RFI13 response, question 11(b), LVG [✂] RFI13 response, question 11(b), LVG [✂] RFI13 response, question 11(b)
[626] LVG [✂] internal document, '[✂]'. LVG [✂] internal document, slides 35-39 '[✂]'. LVG [✂] internal document, '[✂]', and LVG [✂] internal document, slides 4 and 7-8 '[✂]'. LVG [✂] RFI17 response, question 16. LVG [✂] internal document, slides 33-35. [✂]. Another LVG [✂] provides some training on contextualised care and consultation skills; however, we consider that these sessions lack detail on how options should be provided in practice. LVG [✂] RFI17 response, question 16. Internal documents [✂] and [✂].
[627] For example, one LVG guidance document for OOH centres advises [✂]. LVG [✂] internal document, '[✂]', p 4. Another LVG's [✂] new graduate training materials note that there is often a range of possible treatments in any given situation but these particular training materials do not explicitly state that these options should be presented to the pet owner. LVG [✂] internal document, '[✂]', slides 2, 22, and 29; LVG [✂] internal document, '[✂]', slides 21-25.
[628] The BVA have issued guidance on 'transparency and client choice' in relation to treatment options and contextualised care explicitly in response to the CMA's work. BVA transparency and client choice guidance. The BSAVA library has a collection of articles on contextualised care. Gold standard vs contextualised care; Veterinary care on a shoestring; and When to test and when to treat.
[629] Qualitative research with vet professionals, p 22.

10.102 The evidence we have received indicates that there have not been widespread initiatives by veterinary businesses to support vets to put customers at ease about making difficult choices including, in certain circumstances, opting for less sophisticated and cheaper treatment options.

(a) Only one LVG [✂] has submitted any evidence of effective training or guidance given to vets on how to put customers at ease specifically when choosing less sophisticated (and cheaper) treatment options, when these are clinically appropriate.[630] However, this evidence was limited to guidance provided to OOH centres, rather than guidance or training that applied across all the LVG's veterinary services.

(b) While some LVGs have training resources that encourage vets to solicit the opinions of pet owners and reach a shared decision with owners about what treatment options to pursue, these resources do not explicitly make clear the role vets can play in putting pet owners at ease about choosing less sophisticated options.[631, 632]

Business practices and systems may limit or constrain the way vets give options

10.103 Like other commercial entities, veterinary businesses adopt processes that help them understand and manage their businesses, and to measure and guide their performance and their employees. These include using KPIs, setting and monitoring targets, issuing clinical protocols and guidance, and using IT systems such as Practice Management Systems (**PMSs**).[633] More detail on how veterinary businesses use these tools and the evidence of their potential impact on vets' behaviour is set out in appendix H.[634]

10.104 These standard business practices can help veterinary businesses run efficiently and help produce good outcomes for pet owners. However, they have the potential to put pressure on, or unduly influence, vets' decisions, including about the treatment and referral options they offer. A concern would arise if business practices conflicted with vets' obligations to provide appropriate and timely information about treatment and referral options.

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[630] One LVG [✂] submitted a guidance document for its OOH centres which [✂]. LVG [✂] internal document, '[✂]', p 4.
[631] For example, LVG [✂] response to RFI1, internal document, '[✂]'
[632] One LVG's [✂] training on contextualised care notes that one issue with 'the [traditional] gold standard approach is that we could make our clients feel guilty if they don't or can't consent to it.' However, this training does not explicitly advise vets on whether or how pet owners should be put at ease when choosing less sophisticated treatments. LVG [✂] RFI17 response, question 16. [✂], video 'what is contextualised care', timestamp 6:16-6:28.
[633] PMSs may be used, for example, to record diagnoses, keep notes, and generate prescriptions, and data from them can be used to monitor KPIs. They will sometimes be structured and have system architecture designed to follow diagnostic guidance or protocols (Qualitative research with veterinary professionals, pp 38-39).
[634] Appendix H: Supporting evidence for section 10: Choice of treatments and referrals

10.105 Submissions from LVGs indicate that they consider that their vets can exercise clinical freedom. All LVGs submitted that their vets have full clinical autonomy and that KPIs do not incentivise or otherwise influence the treatments their vets offer.[635] Almost all of the vertically integrated LVGs said that they did not have any policies about which referral centres vets may refer to,[636] or incentives relating to this.[637]

10.106 There is some evidence of businesses practices which would help (or not hinder) vets providing pet owners with appropriate and timely information about referrals and treatment options:

(a) Some LVGs have guidance and policies which encourage vets to provide pet owners with appropriate and timely information about referrals and treatment options, for example, requiring informed consent when making referrals,[638] or stipulating that pet owners are given a range of reasonable treatment options.[639]

(b) Financial incentives based on clinical KPIs, such as treatments sold, do not seem to be a common practice.[640]

10.107 Few vets in our qualitative research reported that performance monitoring and financial incentives had influenced their clinical decisions. This was particularly true for more experienced or more senior vets.[641]

10.108 We are concerned that some – though clearly not all – business practices have the potential to impinge on vets' clinical freedom to offer a range of treatment and referral options, and there is some (albeit limited) evidence of this effect. In particular:

(a) Acquisition strategy documents from the vertically integrated LVGs (in other words those documents that assessed the case for their purchase of FOPs

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[635] The evidence for this is set out in appendix H: Supporting evidence for section 10: Choice of treatments and referrals.
[636] LVG [✂] response to RFI17, question 26; LVG [✂] response to RFI17, question 26; LVG [✂] response to RFI9, paragraph 16.1. We note that two LVGs [✂] and [✂] have referral policy documents, but these LVGs have submitted that these documents do not impact on vets' clinical freedom to select the most appropriate (internal or external) referral provider. LVG [✂] response to RFI17, question 26; LVG [✂] response to RFI17, question 26.
[637] CVS Issues Statement Response, p 6. CVS.pdf; [✂] LVG response to RFI3, paragraph 32.2. IVC Issues Statement Response, paragraph 5.9. IVC_Evidensia.pdf; Linnaeus Issues Statement Response, paragraph 4.9. Linnaeus.pdf; [✂] LVG response to RFI9, Question 22, p 30;
[✂] LVG response to RFI9, paragraph 14.3
[638] One LVG [✂] defined informed consent as requiring vets to provide a range of reasonable options together with other information including each option's expected financial cost and main risks, while also making the client aware of any conflicts of interest (including ownership links) when referring. LVG [✂] RFI11 response, question 7, Internal Document, [✂]. LVG [✂] RFI17 response, question 25, Internal Document, [✂].
[639] Guidance from one LVG indicates that pet owners should be informed of the fee estimates associated with these options and should have the significance and main risks explained to them before they sign a consent form. LVG [✂] RFI17 response, question 16.
[640] We have seen only a very small number of examples of vets being offered such incentives, and these were of low financial value. The evidence for this is set out in Appendix H: Supporting evidence for section 10: Choice of treatments and referrals.
[641] Qualitative research with veterinary professionals, pp 69-71.

and related services) show that they considered redirecting referrals in-house. They identified increased revenues from redirecting referrals to in-group sites as a plausible outcome of the transactions.[642,643]

(b) The monitoring of KPIs and targets, and the communication of results to staff, are liable to create pressure on vets to support the business in achieving them, even in the absence of financial incentives. We consider that veterinary businesses that communicate performance against KPIs to their staff do so because this communication is intended to influence staff behaviour. [✂] LVGs provide information on some KPIs to local practice senior leadership teams.[644] LVG documents often show an intention to engage with vets or practices to improve performance, for example where they are not meeting targets or objectives.[645] There is academic research that suggest these soft interventions are effective in changing behaviour.[646] Where these KPIs and targets are inter-related with clinical decisions (for example, the number of treatments sold), they have the potential to affect, or create the perception that they affect, vets' clinical decisions and their approach to engaging with customers.

(c) There is some limited qualitative evidence of the pressure from KPIs, targets, guidance and IT systems affecting some vets' decision making:

(i) Some vets felt that KPIs and targets created a sense of pressure; that targets might affect other vets' decision-making; or that failing to meet targets might affect salary or promotion.[647]

(ii) The existence of treatment protocols, guidance or other messaging in LVGs may influence vet behaviour, including on the options provided.[648] A very small number of vets have told us of situations where a conflict

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[642] A discussion of this evidence is in our working paper on Business models, provision of veterinary advice and consumer choice, 6 February 2025, paragraphs 3.26-3.27
[643] [✂]submitted that the potential synergies identified are only 'opportunities' and do not reflect an assumed upside or form part of the economic business case for the acquisition. [✂]response to [✂] working papers [✂].
[644] The evidence for this is set out in Appendix H: Supporting evidence for section 10: Choice of treatments and referrals.
[645] [✂] LVG response to RFI3, internal document, [✂],slide 5. [✂] LVG response to RFI3, internal document, [✂],p. 2. [✂] LVG Internal Document, [✂],tabs [✂] and [✂]. [✂] LVG response to RFI3, internal document, [✂], p 5.
[646] Academic evidence suggests that soft interventions such as reminders, conversational accountability and social pressure are effective in bring about behavioural change. This evidence comes from various contexts such as organisational behaviour, tax compliance, public health, finance and personal goals. Thaler, R.H. and Sunstein, C.R., 2021. Nudge: The final edition. Penguin. Andersson, H., Engström, P., Nordblom, K. and Wanander, S., 2023. Nudges and threats: soft versus hard incentives for tax compliance. *Economic Policy*, *38*(116), pp 771-819. Herath, T. and Rao, H.R., 2009. Encouraging information security behaviors in organizations: Role of penalties, pressures and perceived effectiveness. Decision support systems, 47(2), pp 154-165.
[647] The evidence for this is set out in appendix H: Supporting evidence for section 10: Choice of treatments and referrals.
[648] One senior staff member at a veterinary school said that the practice type and its associated guidelines would shape how a vet worked and what level of treatment options were presented to consumers. Summary of roundtable with academics, paragraph 11. Summary of roundtable discussion held with senior representatives of veterinary schools via MS Teams on 16 September 2024. One senior vet at a charity said that, in their experience, the large corporate groups had very rigid protocols that vets must follow. Summary of roundtable with charities, paragraph 7. Summary of roundtable discussion held with senior veterinary professionals who currently work in the charity sector via MS Teams to on 19 September 2024.

has arisen between protocols and vets' obligations to provide pet owners with treatment options,[649] but we have also been told some vets feel able to resist following protocols.[650]

(iii) Some vets felt that the IT systems used by vet practices, such as their PMSs, can limit or constrain (either unintentionally or by design) the treatments vets offer to pet owners and for which vets charge. For example, some vets reported that the systems prompted them to comply with diagnostic guidance or protocols,[651] and a few vets reported that system shortcuts encouraged in-group referrals.[652] Although shortcuts can save time for vets, the presence of a default option could subtly influence vets to refer within the same group.[653]

10.109 In addition to evidence of the pressure from KPIs, targets, guidance and IT systems affecting vets' decision-making, there is evidence that vets and non-vets may be under pressure to recommend pet owners attend OOH consultations rather than giving advice over the phone.[654]

There is no widespread or significant concern around foreclosure

10.110 We have considered the possibility of competitor foreclosure of independent FOPs or customer foreclosure of independent referral providers, diagnostic labs, or providers of other services (such as OOH care and crematoria) that could, in principle, arise when vertically integrated providers self-preference,[655] but have provisionally concluded that this is not a widespread or significant concern.[656]

10.111 In theory, foreclosure could occur in two ways. First, competitor foreclosure could occur if independent FOPs found it more difficult to secure referrals for their clients because vertically integrated referral providers have weaker incentives to serve

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[649] One vet said that, while working for an LVG, there were limitations on their clinical decisions in prescribing medicines which were not on preferred product lists. Summary of Manchester roundtable, paragraph 10. Summary of roundtable discussion held in Manchester on 28 August 2024. A few locum veterinary surgeons reported feeling pressure to adhere to practice guidance (such as referring internally) due to concerns that non-compliance could jeopardise their chances of securing future shifts. Qualitative research with veterinary professionals, p 70.
[650] During the roundtable with vets working in the LVGs, two attendees noted reluctance to work to protocols, and said that if a protocol directed the vet to do something contrary to the best interest of the pet or its owner or professional obligations, they would not follow it. Summary of vets who work at large corporate groups roundtable discussions, paragraph 13.
[651] Qualitative research with veterinary professionals, pp 38-39.
[652] Qualitative research with veterinary professionals, p 52.
[653] Johnson, E.J. and Goldstein, D., 2003. Do defaults save lives?. Science, 302(5649), pp 1338-1339.
Jachimowicz, Johnson, E.J., Bellman, S. and Lohse, G.L., 2002. Defaults, framing and privacy: Why opting in-opting out. Marketing letters, 13, pp 5-15.J.M., Duncan, S., Weber, E.U. and Johnson, E.J., 2019. When and why defaults influence decisions: A meta-analysis of default effects. Behavioural Public Policy, 3(2), pp 159-186.
Loewenstein, G., Bryce, C., Hagmann, D. and Rajpal, S., 2015. Warning: You are about to be nudged. Behavioural Science & Policy, 1(1), pp 35-42.
[654] RCVS RFI6 response, question 7.
[655] Self-preferencing refers to the practice of a business promoting or prioritising its own products or services over those of a competitor, for example a FOP within a vertically integrated vet services group prioritising referrals within the group.
[656] Rather, the concern we have provisionally identified is that there are shortcomings and inconsistencies in the information pet owners are given about treatment and referral options in all types of FOPs.

them (as they prioritise serving FOPs within their own group). Second, customer foreclosure could occur if vertically integrated vet providers preference their own referral providers or providers of other kinds of services to the extent that it is difficult for independent referral centres or service providers to supply their services to FOPs (and their customers).

10.112 The available evidence indicates that:

(a) While some independent referral centres submitted that corporate acquisitions of FOPs and subsequent self-preferencing have led to a reduced workload for the independent referral centre, as well as reduced choice for customers of vertically integrated practices,[657] the number of independent referral centres informing us of such concerns was limited. We have not received any evidence of independent referral centres closing due to reduced workload arising from increasing within-group referrals at integrated groups.

(b) While some independent laboratories submitted that vertically integrated LVGs which had acquired FOPs had been sending fewer samples for testing (and using their own laboratories instead),[658] only one independent laboratory indicated that this was affecting its ability to provide a competitive offering.[659]

(c) We have not seen evidence from independent FOPs that suggests that they, or their customers, are finding it difficult to access referral centres. We consider that vertically integrated referral centres would likely have incentives to serve a wide range of customers given the high fixed costs of referral centres; indeed, where we have it, evidence shows that a significant proportion of the customers of vertically integrated referral centres are from FOPs outside of the referral centre's group.[660]

[657] [✂] Independent response to RFI1, p 5. and [✂] Independent response to RFI1, Question 14.
[658] [✂] Independent Diagnostic Laboratory response to RFI1, Question 7 and [✂] Independent Diagnostic Laboratory response to RFI1, Questions 5 and 7.
[659] [✂] Independent Diagnostic Laboratory response to RFI1, Question 5.
[660] [✂] LVG response to RFI9, Question 14, paragraph 28 and Table 6; [✂] LVG response to RFI9, Question 14, paragraph 14.3; [✂] LVG submission, [✂]pp 5-6; [✂] LVG response to RFI9, Question 14, p 23, footnote 13; and [✂] LVG response to RFI9, Question 14, pp 19-21.

11. Veterinary Medicines

11.1 The supply of veterinary medicines is a significant element of the portfolio of veterinary services offered by FOPs and accounts for around 20% of FOP revenues.[661] In this section, we assess aspects of competition in the retail supply of veterinary services by FOPs that are specific to medicines. This includes considering the strength of the constraint on FOPs from third-party retailers of veterinary medicines, which is an important part of our competitive assessment.[662]

11.2 This section is structured as follows:

(a) We provide our provisional view on two distinct aspects of competition in the supply of veterinary medicines: competition between FOPs and third-party retailers, and the negotiating power of FOPs and third-party retailers when purchasing veterinary medicines.

(b) We describe our current understanding of the nature of competition in the supply of veterinary medicines, including the regulatory framework and the main competitive dynamics that influence the manufacture, distribution, and retail of veterinary medicines.

(c) We set out the evidence and analysis supporting our provisional assessment on whether pet owners are paying more than they need to for medication because of limited effective competition between FOPs and third-party retailers in the supply of veterinary medicines.

(d) We set out the evidence and analysis supporting our provisional assessment of the negotiating power of FOPs and third-party retailers when purchasing medicines, including the reasons why we observe such substantial differences in the purchase costs of medication across different veterinary businesses.

11.3 Additional evidence and analysis that supports our provisional assessment of competition in the supply of veterinary medicines can be found in Appendix I: Supporting evidence on veterinary medicines and Appendix J: Regulation of veterinary medicines.

Our provisional assessment

11.4 We have considered two distinct aspects of competition in the supply of veterinary medicines as part of our investigation: competition between FOPs and third-party

[661] CMA analysis of RFI6 from all LVGs. We calculated the percentage of revenue from medicines for each LVG, then took a simple average across the six LVGs to get an overall figure.
[662] As noted in part A, section 4: Market Definition.

retailers, and the negotiating power of FOPs and third-party retailers when purchasing medicines.

11.5 Competition between FOPs in the supply of veterinary services (which includes veterinary medicines) is considered in part A, section 8.[663]

Competition between FOPs and third-party retailers

11.6 FOPs provide prescribed veterinary medicines as part of their recommended treatments for pets. It can be convenient for pet owners to purchase medication directly from their vet practice. In some circumstances it might be the only practical option when the pet needs medicine immediately (for example, where the medication has been prescribed in an emergency) or where medicine is provided as part of a wider service provided at the FOP (such as a health check combined with a vaccination). Pet owners will typically pay an administration or dispensing fee when purchasing medication from a vet in addition to any fee for the consultation or procedure itself and the purchase cost of the medicine.

11.7 Prescribed veterinary medicines can also be obtained from third-party retailers (usually online pharmacies). Where pet owners wish to purchase prescribed medication from a third-party retailer, and it is appropriate to do so (where the medication can be easily administered by the pet owner and is prescribed in a non-urgent context or is a preventative treatment), they need to request a written prescription from their vet. A fee for the provision of a written prescription will be charged (as with administration or dispensing fees) in addition to any fee for the consultation itself. Vet practices must advise clients, by means of a sign displayed in the practice, that they can get a written prescription and obtain medicine elsewhere if they wish to do so.

We use ‘prescribe’ or ‘prescription’ to mean the clinical choice of a veterinary medicine. This choice may be communicated to a pet owner verbally (where a prescribed veterinary medicine is sold and dispensed by a FOP) or in writing (where a written prescription is produced by a vet) which we refer to as a ‘written prescription’ for clarity.

It appears to us that competition between FOPs and third-party retailers is not currently working well for pet owners

11.8 We would expect third-party retailers of veterinary medicines to provide an effective competitive constraint on FOPs if competition between them were working well.[664] This competitive constraint would be strongest where the potential saving would be greatest, such as where the prescribed medication is purchased

[663] Part A, section 8: Competition between FOPs
[664] Our provisional assessment of what a well-functioning market looks like in the supply of veterinary medicines is set out in more detail in part A, section 5: A well-functioning market for vet services.

by pet owners on an on-going basis (such as preventative treatments or medication to treat chronic conditions) or a large volume (or large monetary value) of one-off medication has been prescribed by the vet.

11.9 Our provisional view is that pet owners can make substantial savings when purchasing a prescribed medication from an online pharmacy rather than directly from their FOP.[665] While at least some pet owners may be prepared to pay a premium when purchasing from a FOP, the size of the price difference suggests that competition between FOPs and third-party retailers may not be working well for pet owners.

(a) Our analysis of data obtained from LVGs that own and operate online pharmacies (CVS, IVC, and VetPartners) shows that the price of veterinary medicines at these online pharmacies can be between 50% and 60% less than the price of the same veterinary medicine at their FOPs.[666] We would expect a broadly similar percentage difference in price between other FOPs and online pharmacies based on our understanding of the prices of veterinary medicines at other FOPs and other online pharmacies.

(b) Many pet owners could make substantial financial savings of [£200-300] on average annually when purchasing commonly prescribed veterinary medicines from an online pharmacy rather than a FOP.[667] The overall financial savings will depend on the specific choice of medicine, the dosage (and frequency of doses), and the length of treatment recommended by the vet (all resulting from the vet's clinical assessment) as well as the level of fees charged by FOPs for dispensing medication or for the provision of a written prescription.

11.10 All LVGs have told us differences in costs between 'bricks and mortar' FOPs and online pharmacies (such as the staffing costs needed to provide medication to pet owners, costs of complying with regulations on reporting 'adverse events' and storage and wastage costs) may explain the differences in prices.

11.11 We note that online pharmacies will incur some costs for activities that FOPs will either not incur or would typically cover with dispensing fees rather than include in the price of medication. These may include printing a label and packaging for the medicine, measuring the volume of medication needed for the course of treatment,

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[665] As set out in part A, section 11: Veterinary Medicines, subsection Prices for veterinary medicines at FOP and online pharmacies.
[666] As set out in as set out in part A, section 11: Veterinary Medicines, subsection There are substantial differences between the prices of veterinary medicines at FOPs and online pharmacies. Source: CMA analysis of LVG RFI responses from [✂], [✂], and [✂].
[667] As set out in as set out in part A, section 11: Veterinary Medicines, subsection These price differences can lead to significant financial savings for pet owners when purchasing from online pharmacies. Source: CMA analysis of LVG RFI responses from [✂] and [✂]. The methodology used for this analysis is set out in more detail in Appendix I: Supporting evidence on veterinary medicines.

and the costs of follow-on activities (including, when necessary, checking details of the written prescription with the prescribing vet).

11.12 We consider it to be unlikely that any difference in costs can wholly explain the difference in prices between FOPs and online pharmacies as our evidence suggest that the sale of veterinary medicines appears to be highly profitable for FOPs.[668]

(a) Retail prices for veterinary medicines at both LVG-owned and independent FOPs appear to be between two and five times their purchase costs on average, which is equivalent to an average mark-up on purchase costs of between 100% and 400%.[669] Differences in these mark-ups across FOPs appear to be a consequence of differences in their negotiating power (which we explore in more detail below) rather than retail prices for some veterinary medicines at FOPs being several times those at other FOPs.

(b) The supply of veterinary medicines appears to be highly profitable for FOPs when also including the additional revenues from administration and dispensing fees. Our estimates of the level of gross contribution from the sale of medicines shows that medicine profits account for a large proportion of the overall level of profitability of a FOP.

11.13 Many stakeholders have told us that revenues and profits from the sale of veterinary medicines may support the provision of other veterinary services at lower prices by covering other costs incurred by FOPs. We agree that any profits earned in relation to the sale of veterinary medicines could, in principle, be used to cover a significant proportion of the common costs that FOPs incur when supplying veterinary medicines and other veterinary services to pet owners.[670] However, we have provisionally found that veterinary businesses covering a substantial part of the market earned profits materially exceeding the cost of capital over a sustained period.[671] This means there are many FOPs where revenues from the sale of medicines are being used (at least in part) to support these profits rather than lower prices for other services for pet owners.

[668] As set out in part A, section 11: Veterinary Medicines, subsection Profitability of veterinary medicine sales to FOPs.
[669] The mark-up on purchase costs is estimated as the difference between retail prices and purchase costs expressed as a percentage of purchase costs. As set out in part A, section 11: Veterinary Medicines, subsection Profitability of veterinary medicine sales to FOPs, our analysis of mark-ups on purchase costs is only indicative of the 'true' mark-up as it has some limitations. The results are however broadly consistent with information provided by LVGs on their estimated average mark-up on the 'net net' prices of veterinary medicines sold as distinct products by their FOPs.
[670] We use the term 'common costs' to refer to costs that arise when some activities of a business are shared across a group of products and services it provides (for example, administrative activities that support the provision of a group of products and services by the business). These common costs are not incremental to the provision of any individual product or service, nor are they directly caused by any individual product or service alone.
[671] As discussed in part A, section 7: Outcomes.

Only some pet owners appear able to take advantage of the potential savings available to them by engaging with the competitive offering of third-party retailers

11.14 Despite the potentially significant financial savings available to pet owners when purchasing medication from third-party retailers, pet owners purchase most of their veterinary medicines from FOPs.[672] 81% of pet owners whose pet was prescribed medication in the past two years made their last purchase of medication directly from their FOP.[673] This is broadly consistent with our analysis of [✂] data that shows online pharmacies in the UK account for a [10-20%] [✂] share of all veterinary medicines supplied by manufacturers to FOPs and third-party retailers in 2024.[674]

11.15 Evidence from our survey shows that some pet owners appear able to engage effectively with the competitive offering of third-party retailers in order to take advantage of the potential savings available to them.

(a) Pet owners were more likely to purchase medication from an online pharmacy if they had been prescribed on-going medication (26%) than those pet owners whose pet had been prescribed one-off medication by their vet (7%).[675]

(b) Pet owners whose pets had been prescribed on-going medication with purchases repeated every six or twelve months are more likely to have made their most recent purchase of this medication from an online pharmacy (54%) than their FOP (43%).[676]

11.16 This is broadly consistent with our analysis that shows most sales made by online pharmacies are medications typically (but not wholly) prescribed by vets to treat chronic conditions that require on-going medication (such as medication for cardiovascular and respiratory symptoms) or are preventative treatments (such as parasiticides).

11.17 This evidence suggests that there are some pet owners who engage effectively with the competitive offering of third-party retailers (usually online pharmacies). However, even for on-going medication where the largest financial savings are likely to be made from purchasing medication from an online pharmacy, 71% of

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[672] As set out in part A, section 11: Veterinary Medicines, subsection Use of FOPs and third-party retailers by pet owners.
[673] Pet owners survey, created through combining the respondents for Q95 and Q96. The usual source of repeat prescription medication was less likely to be their vet than for one-off medication (71% vs. 88%) and more likely to be purchased online (26% vs. 7%). Pet owners survey, p. 74.
[674] Data provider RFI response [✂]. This analysis includes medicines purchased by FOPs where the only practical option for the pet owner is to purchase these from a FOP as the pet needs medicine immediately (for example, where the medication has been prescribed in an emergency context) or where medicine is provided as part of a wider service provided by a vet at the FOP (such as a health check combined with a vaccination).
[675] Pet owners survey, Q96 and Q95.
[676] Pet owners survey, Q93 and Q96.

pet owners purchase on-going medication directly from their FOP.[677] This evidence therefore indicates that significant numbers of pet owners are not taking advantage of the substantial savings that are available to them when purchasing medication from online pharmacies.

There are several reasons why pet owners may not engage with the competitive offering of third-party retailers and do not take advantage of the potential savings available to them

11.18 We have sought to understand the reasons why most pet owners do not purchase medication from third-party retailers despite the substantial savings that are available to them when doing so.

At least some pet owners purchase medication from FOPs as this is the most convenient option for them

11.19 Our survey shows that it may be convenient for pet owners to purchase veterinary medicines directly from their FOP or it might be the only practical option when their pet needs the medicine quickly.[678] When pet owners whose pet had been prescribed medication by their vet in the past two years were asked to select the reasons why they decided to buy medication from their FOP: 50% said it was the most convenient option for them; and 31% said they bought medication from their FOP as they needed to purchase the medication quickly.[679] The convenience of purchasing medication from a FOP will mean that pet owners may not consider using third-party retailers for some purchases.

11.20 The extent to which it is convenient for pet owners to purchase veterinary medicines from their FOP does not apply equally to all types of medication. The purchase of medication directly from a FOP where this is needed quickly to treat an acute condition or is a one-off treatment is a valued service offered by FOPs to pet owners. The benefits of this convenience may be particularly important where a pet owner has brought their pet to a FOP to diagnose and treat an urgent health condition. This may be an important reason why 88% of pet owners purchased one-off medication from their FOP.[680]

11.21 In contrast, the ability to make substantial savings on on-going medication that treats a chronic condition or is a preventative treatment is an important aspect of the competitive offering of online pharmacies. Once a pet owner has set up an account with an online pharmacy and arranged with the FOP for repeat prescriptions, any additional burden of purchasing from an online pharmacy is

[677] Pet owners survey, Q96.
[678] As set out in part A, section 11: Veterinary Medicines, subsection At least some pet owners purchase medication from their FOPs as they consider this to be the most convenient option for them.
[679] Pet owners survey, Q99.
[680] Pet owners survey, Q95.

much reduced. These savings could be greater than the value of convenience to pet owners of purchasing medication directly from a FOP. This may be an important reason why more pet owners had used an online pharmacy for on-going medication (26%) than those that had been prescribed one-off medication for their pet (7%).[681]

11.22 Some of these pet owners will, nonetheless, value the convenience offered by FOPs even where they know about the option of purchasing from third-party retailers and know the level of potential savings available to them when purchasing medication from a third-party retailer. This is one reason that is likely to inherently limit competition, to some degree, with third-party retailers even in a well-functioning market.

Some pet owners choose to obtain certain medicines in FOP because these are already included in their pet care plan subscriptions

11.23 Pet care plans are subscriptions that include some medications offered by FOPs (most commonly, pet care plans include parasiticides).[682,683] It would not be cost-effective for a pet owner to purchase medicines that are included in their plan from a third-party retailer because they would incur additional costs for prescriptions and medicines already covered by their plan.

11.24 While pet care plans can offer savings compared to buying included treatments and medicines individually from FOPs, our analysis shows these savings are significantly reduced when compared to the lower prices for parasiticides available from online pharmacies. It appears to us that the inclusion of parasiticides in pet care plans may at least partially explain why a low proportion of these medicines are purchased from online pharmacies.

11.25 Some pet owners may value the benefits offered by pet care plans and decide to purchase medication from their FOP, which may include pet owners that know about the option of purchasing from third-party retailers and know the level of potential savings available to them when purchasing medication from a third-party retailer. This is another reason that is likely to inherently limit competition, to some degree, between FOPs and third-party retailers even in a well-functioning market.

[681] Pet owners survey, Q95 and Q96.
[682] Some pet care plans also offer discounts on other selected prescribed medications.
[683] As set out in part A, section 11: Veterinary Medicines, subsection Some pet owners choose to obtain certain medicines in FOP because these are already included in their pet care plan subscriptions.

Inefficiencies in the written prescription process by FOPs may partially explain why it is more convenient for some pet owners to purchase medication from a FOP

11.26 The process used to provide written prescriptions is less efficient than we would expect in a well-functioning market, particularly in comparison to the processes used to dispense medication within a FOP.[684]

11.27 Evidence from online pharmacies indicated that issues with written prescriptions sometimes hampered their ability to dispense medication to pet owners efficiently.[685] This included the need to follow-up with the prescribing vet, a lack of compliance with the Veterinary Medicines Regulations (**VMRs**) by some vets in the written prescription that has been provided, as well as the wider inefficiencies in the written prescription process (for example paper-based systems, lack of uniformity among written prescriptions, and no uniform process for determining whether a written prescription has been received by a pharmacy). These issues may at least partially explain why pet owners consider purchasing medication from their FOP to be the most convenient option to them.

11.28 It is our provisional view that that investments by FOPs in more efficient and effective written prescription processes could make written prescriptions and the use of online pharmacies a more attractive option to pet owners, including by lowering the fees charged to pet owners for the provision of written prescriptions. Such investments could lead to a loss of medicines sales at a FOP, which weakens the commercial incentives of FOPs to invest in efficient and effective written prescriptions processes.

The dual role of vets as the prescriber and a commercial retailer of veterinary medicines may mean pet owners are inclined to purchase medication from FOPs

11.29 Our provisional view is that pet owners are understandably and properly strongly reliant on veterinary professionals' expertise in the provision of clinical care to animals.[686,687] This includes the role of vets as the prescriber of veterinary medicines which is a clinical judgement for which the pet owner is reliant on the vet's expertise. In addition to their provision of clinical advice, vets perform a commercial function – retailing veterinary medicines. This is a commercial transaction where the pet owner may have alternative choices to purchasing the prescribed medication from their FOP.

11.30 The dual role of vets as both a prescriber and a commercial retailer of veterinary medicines may make it more difficult for pet owners to engage with the competitive

[684] As set out in part A, section 11: Veterinary Medicines, subsection Inefficiencies in the written prescription process may partially explain why it is more convenient for some pet owners to purchase medication from a FOP.
[685] Online pharmacy RFI2 response [✂]; and note of a call with an online pharmacy [✂].
[686] As set out in part A, section 3: Factors which affect how competition works in the market for veterinary services.
[687] As set out in part A, section 11: Veterinary Medicines, subsection The dual role of vets as both a prescriber and retailer of veterinary medicines may mean pet owners are less likely to purchase medication from third-party retailers.

offering of third-party retailers. Vets and veterinary businesses have the ability to control the information the pet owner receives (including about any alternative options of where to purchase prescribed veterinary medicines) at an important decision-making point. There is a point-of-sale advantage for the FOP which has an understandable commercial incentive to make profits from the sale of medicines.

11.31 This is not to suggest that all vets and veterinary businesses act only on their commercial incentives. Our qualitative research with veterinary professionals shows that many vets do support pet owners to choose the best option for them when purchasing medication that has been prescribed. This includes discussing the option of written prescriptions for pet owners to purchase on-going medication online where it might be cheaper for them to do so.

11.32 Nevertheless, the nature of this relationship between vets and pet owners reduces the propensity of some pet owners to consider purchasing medicines from a third-party retailer even when it is appropriate and advantageous to do so. Pet owners rightly see the vet as a trusted professional adviser notwithstanding that the commercial part of their interaction is distinct from the vet's professional expertise.

11.33 Evidence from our survey suggests that some pet owners who bought a prescribed veterinary medicine directly from their FOP said that they did so because their vet did not offer an alternative (32%), or because they did not feel comfortable telling their vet that they would purchase medication elsewhere (14%).[688] Our qualitative research shows that not all vets proactively offer a written prescription for on-going medication. Some vets included in this research reported that they had been told not to offer written prescriptions unless asked to do so by the pet owner.[689]

Pet owners may not be able to effectively assess the quality of medicine sold by third-party retailers without the support of their vet

11.34 Another important aspect of the role of vets in the supply of veterinary medicines is their ability to assure pet owners of the quality of medication prescribed to treat a health condition experienced by their pet.[690] There is an inherent asymmetry of knowledge and information between vets and pet owners. It is difficult for pet owners to evaluate the impact of the prescribed medication on the health of their pet (even retrospectively) without the support of their vet.

11.35 This could mean that veterinary medicines which are administered and/or dispensed by a vet may appear to a pet owner to be of a higher quality than those

[688] Pet owners survey, Q99.
[689] Qualitative research with veterinary professionals, p32.
[690] As set out in part A, section 11: Veterinary Medicines, subsection Pet owners may not be able to effectively assess the quality of medicine sold by third-party retailers without the support of their vet.

available from online pharmacies even where the medication is identical. This may lead to pet owners purchasing medication from a FOP rather than third-party retailers, particularly where pet owners may be nervous about making a mistake in obtaining medicine for their pet where this decision comes in a vulnerable or emotional context. Our survey shows that many pet owners purchased medication from their FOP as they trusted that the medication from their vet was the 'most reliable' or the 'best quality' (36%) or as they felt most comfortable administering medicine bought from their own vet practice (23%).[691]

11.36 In fact, there is no difference in the quality of medication sold by FOPs and authorised third-party retailers. Both FOPs and third-party retailers must purchase veterinary medicines from regulated businesses that are authorised to distribute these products. Many online pharmacies inform pet owners they are a member of a voluntary accredited internet retailer scheme operated by the VMD to demonstrate to pet owners that they are 'accredited websites that sell authorised veterinary medicines'.[692] This information is displayed by online pharmacies either on the homepage or on webpages providing information on specific veterinary medicines, although this information is not always prominently displayed (for example, as it is at the bottom of the homepage or the VMD logo is small compared to other images on a webpage).[693] The significant numbers of pet owners who indicated that confidence in the quality of medicines as a reason to purchase medication from their FOP suggests that pet owners may not be aware of the existing regulatory framework which assures the quality of veterinary medicines sold by FOPs and third-party retailers.[694]

Some pet owners may purchase certain medicines from their FOPs because they prefer, or require, their vet to administer them

11.37 Pet owners may understandably be reluctant to administer some forms of medication to their pet as they are nervous to do so or consider themselves to lack the clinical ability to administer the medication effectively.[695] This means that some administrative forms of veterinary medicines (such as injectables) are more likely to be purchased from a FOP than others (such as medication administered orally), even where these are available to purchase from third-party retailers and a pet owner could request a written prescription for the prescribed medication.

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[691] Pet owners survey, Q99.
[692] Veterinary Medicines Directorate, Accredited internet retailer scheme (accessed on 23 May 2025).
[693] For example: Pet Drugs Online | Low Cost Pet Care, Pet Meds & Fast Delivery (accessed on 23 May 2025), Pet Foods | Pet Prescription Medication | Pet Accessories, Pet Medication (accessed on 23 May 2025), Pet Food, Pet Products, Equine Meds and Veterinary Prescriptions Online at VioVet (accessed on 23 May 2025), and Hyperdrug - Online Pet Store, Pharmacy & Accessories Supplier (accessed on 23 May 2025).
[694] Pet owners survey, Q99.
[695] As set out in part A, section 11: Veterinary Medicines, subsection Some pet owners may rely on their vet to administer some forms of veterinary medicines to their pet within a FOP rather than do this themselves.

11.38 Evidence we have gathered as part of our investigation suggests that vets may not provide a written prescription for injectable medicines and medication with other administrative forms in all circumstances. However, a move towards injectable or other administrative forms of veterinary medicines may reflect improvements in their greater efficacy and may have a positive effect on animal welfare rather than an attempt to retain the sales of veterinary medicines within FOPs. Nonetheless, this may be one reason that is likely to inherently limit competition, to some degree, with third-party retailers even in a well-functioning market.

Many pet owners are not aware of their ability to obtain a written prescription or the potential savings available to them when purchasing from online pharmacies

11.39 Many pet owners (38%) are not aware of their ability to obtain a written prescription from their FOP that they can use to purchase the veterinary medicine from a third-party retailer.[696,697] While pet owners whose pet had been prescribed on-going medication were much more likely to be aware of this option (73%) than those whose pet had been prescribed one-off medication (47%), a significant proportion of pet owners with pets that require preventative treatments or medication for chronic conditions do not know they can request a written prescription.[698]

11.40 This suggests that there is a lack of effective promotion of this option to pet owners. This is despite RCVS Guidance which states FOPs must inform pet owners of their ability to obtain written prescriptions and that veterinary medicines can be purchased from another FOP or third-party retailer.[699] This may be because signs promoting this option are not always visible or because they are displayed in a place (such as a waiting room) and at a time (before a consultation) that is divorced from the point at which a pet owner knows they need a prescribed medicine and is making the choice about where to buy it.

11.41 Even when pet owners know that they can obtain a written prescription, few are aware of the potential savings available when purchasing medication from a third-party retailer rather than their FOP. Most pet owners did not attempt to compare prices for medicines (60%) and some were unable to find the information to allow them to do so (9%).[700] While pet owners whose pet had been prescribed on-going medication were much more likely to have compared prices (44%) than those whose pet had been prescribed one-off medication (20%), most pet owners with pets that require preventative treatments or medication for chronic conditions –

[696] Pet owners survey, Q91.
[697] As set out in part A, section 11: Veterinary Medicines, subsection Many pet owners are not aware they can request a written prescription from their FOP, and part A, section 11: Veterinary Medicines, subsection Most pet owners are not aware of the prices offered by third-party retailers when purchasing medication.
[698] Pet owners survey, Q91 and Q92.
[699] RCVS Guidance, paragraph 10.3; RCVS, Guidance on Fair trading requirements
[700] Pet owners survey, Q98.

and could therefore be able to make the largest financial savings when purchasing from an online pharmacy rather than their FOP – did not compare the price of veterinary medicines.[701]

11.42 Our survey indicates that comparing prices for veterinary medicines made it much more likely that pet owners would purchase medication from a third-party retailer compared with those who had not compared prices.[702] We would therefore expect more pet owners to purchase from third-party retailers if pet owners were better able to access and assess price information for veterinary medicines. Pet owners whose pet has been prescribed on-going medication as well as those whose pet has been prescribed larger volumes (or larger values) of one-off medication are most likely to benefit from the provision of pricing information given the substantial financial savings available to them when purchasing from an online pharmacy.

Prescription fees may deter at least some pet owners from requesting a written prescription from their vet

11.43 Current prescription fees range widely, with a quarter of prescriptions priced below £15 and a quarter above £25.[703] We also see that some of the higher fees are charged by LVGs which we might expect would have more efficient processes for the kinds of administrative steps involved in producing written prescriptions. The range in fees indicates that, where fees are particularly high, they are not sufficiently constrained by competition between FOPs. Such an explanation is supported by our provisional assessment in part A, section 8,[704] which sets out evidence on weak price competition between FOPs due to a restricted consumer response.

11.44 The presence and magnitude of prescription fees may discourage some pet owners from requesting a written prescription. A prescription fee of [£20-30] [✂] may appear large relative to the price of other veterinary services that pet owners can access at their FOP, such as a fee of around £40 for an initial consultation to diagnose a health condition experienced by a pet and where a vet may prescribe a veterinary medicine to treat this condition.[705] The large relative cost of obtaining a written prescription, representing a 50% or more uplift in costs when combined with the consultation fee, may mean some pet owners may not attempt to access information on the competitive offering of third-party retailers (particularly where they have never done so before and perceive this to be less convenient than

[701] Pet owners survey, Q98 based on responses to Q92.
[702] Pet owners survey, Q92, Q95, Q96, and Q98.
[703] As set out in part A, section 11: Veterinary Medicines, subsection Prescription fees may deter at least some pet owners from requesting a written prescription from their vet. Our analysis of prescription fees charged by FOPs is set out in part A, section 11: Veterinary Medicines, subsection FOPs charge a range of fees in relation to veterinary medicines.
[704] Part A, section 8: Competition between FOPs
[705] Our analysis of prescription fees charged by FOPs is set out in part A, section 11: Veterinary Medicines, subsection FOPs charge a range of fees in relation to veterinary medicines.

purchasing medication from their FOP) or even consider whether it may be appropriate for them to obtain a written prescription from their vet.

11.45 Our survey shows that current level of prescription fees may not be an important factor in the decision of most pet owners when deciding to purchase veterinary medicines directly from their FOP.[706] However, for pet owners to know the prescription fee was more than the potential saving available to them they would need to have compared prices for the prescribed medication between their FOP and a third-party retailer. As only a small proportion of pet owners whose pet had been prescribed medication in the past two years compared prices for veterinary medicines (30%),[707] many pet owners may not have been aware that the prescription fee was more than the potential saving available to them when purchasing from a third-party retailer before deciding to purchase directly from their FOP.

11.46 In addition, as our evidence and analysis suggest that the sale of veterinary medicines by FOPs appears to be highly profitable and that there a weak competitive constraints on prescription fees, FOPs may have an ability and incentive to increase the prescription fee to deter at least some pet owners from requesting a written prescription from their vet in order to retain the sales of veterinary medicines and to limit competition with third-party retailers. This is explored further in part B, section 6.[708]

The introduction of 'own brand' medicines may make it more difficult for pet owners to engage with the competitive offering of third-party retailers

11.47 The increased prevalence of 'own brand' (**Own Brand**) products appears to be an important barrier faced by pet owners when attempting to purchase medication from a third-party retailer.[709] These products are versions of medicines that, rather than having the brand name of a manufacturer, have the brand name of the retailer or distributor of the product.

11.48 CVS and IVC are the largest suppliers of Own Brand products.[710] Their Own Brand products are available only from FOPs owned by them and, in the case of CVS, independent FOPs who are members of CVS buying groups.[711] CVS and IVC do not sell their Own Brand products at their company-owned online

[706] When asked why a pet owner chose to buy medication from their FOP, some respondents wrote in other reasons, including 2% who said the cost of prescription outweighed the benefit of buying the medication elsewhere. Pet owners survey, Q99.
[707] Pet owners survey, Q98.
[708] Part B, section 6: Prescription price control.
[709] As set out in part A, section 11: Veterinary Medicines, subsection Own Brand medicines may act as a barrier to pet owners engaging with the competitive offering of third-party retailers.
[710] One buying group ([✂]) supplies an Own Brand POM-V medicine.
[711] Buying groups, including the role they play in the supply of veterinary medicines, are explained in part A, section 11: Veterinary Medicines, subsection Buying groups enable FOPs and third-party retailers to obtain larger rebates.

pharmacies (Animed and PDOL, respectively), nor are they available at other third-party retailers.[712, 713]

11.49 The sale of Own Brand products may make it difficult for pet owners to find comparable price information on the medication prescribed by vets given that third-party retailers will offer only the medicine that has the brand name given by a manufacturer. For example, a vet who may typically prescribe Milbemax may prescribe Milbevet (if working at an IVC-owned FOP) or MiPet Milbeworm (if working at a CVS-owned FOP or a FOP that is a member of CVS' buying groups).[714]

11.50 Consequently, a pet owner whose pet is prescribed an Own Brand product by their vet would have to navigate the following steps in identifying whether it may be appropriate for them to purchase an alternative to this medication from a third-party retailer. First, they would have to be able to identify that their pet has been prescribed an Own Brand medicine. Second, the pet owner would have to be aware, at the point at which at the medicine is prescribed by a vet, that there are clinically equivalent alternatives to this Own Brand product available to them. Last, they would need to confirm that the clinically equivalent alternative they have identified is suitable for their pet by relying on information from a trusted source with the relevant veterinary expertise.

11.51 Only after all these steps had been taken successfully could a pet owner be able to compare prices between the Own Brand product and the clinically equivalent alternative before deciding whether to request a written prescription for the necessary medication from their vet. It is unlikely that pet owners would be able to navigate these steps without the support of their vet given the inherent asymmetry of information and knowledge between them.

11.52 Prescribing Own Brand medicines without reference to their clinically equivalent alternatives restricts the information available to pet owners and prevents them from identifying the best option for them when comparing prices for these veterinary medicines. This barrier to engaging with the competitive offering of third-party retailers could prevent pet owners from being aware of (and taking advantage of) the more than 50% potential savings available when purchasing an alternative to an Own Brand medicine from an online pharmacy.[715]

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[712] IVC RFI11 response, Q26(f), Q26(f), CVS RFI11 response, Q26(f).
[713] CVS told us its Own Brand products are also available at CVS non-FOP veterinary practices. CVS response to putback, September 2025.
[714] CMA analysis of: Veterinary Medicines Directorate, Product Information Database - Home, search for 'Milbemax', 'Milbevet', and 'Milbeworm' (accessed on 23 May 2025); IVC Evidensia announces first exclusive brand POM-V (accessed on 23 May 2025); and Supplier Information – MiPet® (accessed on 23 May 2025).
[715] As set out in part A, section 11: Veterinary Medicines, subsection Own Brand medicines may act as a barrier to pet owners engaging with the competitive offering of third-party retailers.

The restricted response of many pet owners to the competitive offering of third-party retailers leads to weaker competition between FOPs and third-party retailers than we would expect in a well-functioning market

11.53 Our provisional view is that the response of many pet owners to the competitive offerings of third-party retailers is restricted and is not as strong as we would expect in a well-functioning market for the reasons we set out above.

11.54 Some of the reasons that restrict the response of pet owners to the competitive offerings of third-party retailers are inherent to the way in which the market functions, in particular the role of vets as the prescriber of veterinary medicines.

11.55 Other reasons we have identified reflect inefficiencies in the way in which the market currently operates. This includes limited awareness among pet owners of their ability to obtain written prescriptions and to buy medicines more cheaply from third-party retailers, a lack of information on the quality of medicines sold by third-party retailers, inefficiencies in the FOP written prescription process, the level of prescription fees, and Own Brand medicines acting as a barrier to comparing the price of medicines at FOPs and third-party retailers.

11.56 If pet owners choose to pay higher prices for medicines to reflect the convenience to them of purchasing from a FOP, this is consistent with a well-functioning market so long as pet owners can engage effectively with the competitive offering of third-party retailers in making this choice.

11.57 The restricted response of many pet owners to the competitive offering of third-party retailers means they are not able to stimulate rivalry between FOPs and third-party retailers. Consequently, FOPs are not incentivised to compete with third-party retailers on the price of the veterinary medicines and pet owners are paying more than they need to for medication prescribed by a vet.

The negotiating power of FOPs and third-party retailers when purchasing medicines

11.58 We received representations that there was not a level playing field in relation to the purchase costs of medicines that are paid by FOPs and third-party retailers.

(a) We received several representations (from LVGs and independent FOPs) that suggest that some online pharmacies sell veterinary medicines to pet owners at a price lower than the cost to many FOPs of purchasing medicines.[716] This included submissions in response to our working paper on Competition in the supply of veterinary medicines (published in February 2025) and the Remedies Working Paper (published in May 2025).

[716] As set out in part A, section 11: Veterinary Medicines, subsection Some FOPs have told us that they have higher purchase costs for certain veterinary medicines than the retail prices at some online pharmacies.

(b) We received more than 100 submissions in support of a campaign to move towards the uniform pricing of veterinary medicines.[717] These representations included template language that claimed LVGs and buying groups are able to use their consolidated purchasing power to secure significant supplier discounts and rebates. The submissions suggested that these rebates are not available to independent practices.

11.59 Our assessment of negotiating power focuses on the rebates that can be obtained by FOPs and third-party retailers from manufacturers.[718] This is because the list price set by manufacturers for a veterinary medicine is the same for all customers and the rebates obtained from manufacturers have a larger direct impact on the purchase costs paid by FOPs, online pharmacies and other third-party retailers than the discounts that can be obtained from wholesalers.[719]

11.60 Manufacturers use rebates to enhance sales and dissuade their customers from switching to rival manufacturers.[720] Rebate agreements are mostly based on purchase volumes where a manufacturer offers a standard 'menu' of different rebate levels based on different purchase volumes that customers can choose from.[721] Some rebate agreements are based on tendering processes where manufacturers are incentivised to offer larger rebates for a given level of committed purchase volumes to win or retain the customer's business.[722] It appears to us that the use of rebates is an effective form of price competition between manufacturers where most customers purchase veterinary medicines through wholesalers rather than directly from manufacturers.

There appears to be substantial differences in the manufacturer rebates obtained by different customers of veterinary medicines

11.61 We would expect customers (FOPs and third-party retailers) to be able to negotiate competitive prices with their medicine suppliers (manufacturers and wholesalers), either directly or through membership of buying groups, and be able to access similar commercial terms for a given level of committed volume of

[717] As set out in CMA summary of Remedies Working Paper responses.
[718] As set out in part A, section 11: Veterinary Medicines, subsection Nature of competition, FOPs and third-party retailers typically purchase veterinary medicines from wholesalers but also negotiate rebates on their purchases with manufacturers (either directly or through a buying group).
[719] As set out in part A, section 11: Veterinary Medicines, subsection Nature of competition.
[720] Note of a call with a buying group [✂]. Further information on rebates is provided in part A, section 11: Veterinary Medicines, subsection Manufacturers offer rebates to FOPs and third-party retailers who purchase their products, below.
[721] Most manufacturers ([✂]) and LVGs ([✂]) contacted as part of our investigation told us that the volume of purchases made at a product (or a product category) level were typically a key factor in determining rebates. Source: Manufacturer RFI responses [✂]; LVG RFI responses [✂]; [✂].
[722] For example, one manufacturer ([✂]) told us that it must now offer much higher rebates to LVGs to win tenders than it had in the past and that LVGs are 'extremely important customers due to the proportion of the market they control' (source: Note of a call with a manufacturer [✂]. A buying group ([✂]) explained that using a tender process for a supply agreement which includes guaranteed purchase volumes for its Preferred Product scheme allows it to negotiate better terms for its members (source: Note of a call with a buying group [✂].

veterinary medicine purchases if competition were working well.[723] Some differences in rebates that customers can negotiate with their suppliers may remain to reflect efficiencies achieved through certain procurement and purchasing practices (such as the certainty of their purchase volumes from manufacturers or through the selection of one of many clinically equivalent veterinary medicines).

11.62 The purchase costs of medicines can vary significantly between LVGs, buying groups, and other FOPs and third-party retailers. Our analysis of the average rebate weighted by sales value of these customers from the top nine medicine manufacturers in the UK shows that:[724]

(a) LVGs in aggregate obtained an average rebate of [50-60%] [✂] from the nine largest manufacturers (by value of sales) in the UK in 2024. The rebates obtained by different LVGs varied considerably; for example the average rebate obtained by [✂] [40-50%] [✂] was considerably less than that obtained by [✂] [60-70%] [✂].

11.63 Buying groups in aggregate obtained an average rebate of [30-40%] from the same manufacturers in 2024. Buying groups that offer 'preferred product' (**Preferred Product**) membership schemes were able to obtain a larger average rebate than non-Preferred Product schemes ([40-50%] [✂].[725]

11.64 Other FOPs and third-party retailers (that are not members of buying groups) on average obtained a rebate of [✂] [20-30%] from the same manufacturers in 2024, which is comparable to the average rebates obtained by the non-Preferred Product membership schemes of buying groups.

11.65 We have also explored the rebates obtained by individual membership schemes offered by buying groups as part of our analysis of a smaller sample of top selling medicines. Our analysis of top selling medicines shows that some buying groups can obtain comparable rebates to some LVGs. For example, three buying group schemes which use Preferred Products ([✂], [✂], [✂] obtained a simple average rebate of between [30-40%] [✂] and [50-60%] [✂] compared to the LVGs which obtained simple average rebates of between [40-50%] [✂] and [60-70%] [✂] on the same set of medicines. This suggests that some buying groups that offer Preferred Product membership schemes can obtain comparable rebates for their members to those obtained by some LVGs.

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[723] Our provisional assessment of what a well-functioning market in the supply of veterinary medicines is set out in more detail in part A, section 5: A well-functioning market for vet services.
[724] These manufacturers represent the vast majority ([✂]) of prescribed veterinary medicine sales to FOPs and third-party retailers in 2024. Source: CMA analysis of [✂] data.
[725] The veterinary medicines available to purchase at a given FOP may be influenced by certain medicines being identified as a 'preferred' or 'recommended' product (which we refer to as Preferred Products), as selected through the procurement processes of LVGs and buying groups. We describe buying groups that use these procurement processes as those which offer Preferred Product membership schemes.

The rebates obtained by different types of customers appear to reflect differences in their negotiating power with manufacturers

11.66 We have sought to understand the factors which influence the rebates obtained by FOPs and third-party retailers. It appears to us that the substantial differences we have observed are based on the factors we would expect to result in different purchase costs in a well-functioning market.

LVGs purchase large volumes of veterinary medicines and are seen as important customers by manufacturers

11.67 LVGs purchase large volumes of veterinary medicines. This reflects the scale and scope of their activities. For example, around 60% of FOPs are owned and operated by LVGs in the UK. CVS, IVC, and VetPartners own and operate three of the largest online animal pharmacies in the UK. Owning an online pharmacy means a veterinary business may negotiate rebates with manufacturers by aggregating volumes purchased by its FOPs with volumes purchased by the online pharmacies it owns and operates.[726] The large purchase volumes of veterinary medicines are the primary reason why they can obtain large rebates from manufacturers.

11.68 Other evidence we have obtained suggests that some LVGs are able to use volumes of medicines purchased outside the UK to obtain larger rebates from manufacturers in the UK and that the large volume of purchases (both in the UK and in other countries) mean that LVGs are typically viewed as important customers by manufacturers.[727] These factors incentivise manufacturers to offer large rebates to win and retain their business which may not be available to other customers of veterinary medicines in the UK.

Some buying groups appear to support the purchase of comparable volumes to some LVGs and are considered as important customers by manufacturers

11.69 An important reason why FOPs and third-party retailers join buying groups is to strengthen their negotiating position with manufacturers. Leveraging the collective negotiating power of their members means buying groups can obtain larger rebates with manufacturers than would be available to their individual members.

11.70 The POM-V purchases made by buying group members represented a material proportion [✂] of the value of sales by manufacturers in 2024, a share that has increased [✂]. By comparison, the purchases of POM-V products by LVGs [✂] in the same period. Members of the largest buying group membership schemes

[726] For example, LVG RFI18 responses [✂].
[727] This is set out in part A, section 11: Veterinary medicines, subsection LVGs purchase large volumes of veterinary medicines and are seen as important customers by manufacturers.

([✂], [✂], and [✂]) had comparable purchases to [✂] and [✂] of POM-V products in 2024.[728]

11.71 Buying groups are seen as important customers by manufacturers, with some viewing LVGs and some buying groups as comparable. Manufacturers and buying groups have told us that the increase in purchase volumes has led to buying groups (particularly those that are able to obtain lower purchase costs for medicines through their procurement practices) strengthening their negotiating position with manufacturers.

Differences in business models influence the rebates obtained by LVGs and buying groups

11.72 The purchase volumes of LVGs and members of buying groups is not the only reason why some can obtain substantially larger rebates from manufacturers than others. Our evidence shows that Preferred Product schemes of buying groups appear able to obtain larger rebates for at least some veterinary medicines than non-Preferred Product schemes that have larger purchase volumes.[729]

11.73 The differences in the procurement and purchasing practices of LVGs (where FOPs are more homogenous and operated by an LVG) and buying groups (where members are more heterogenous and owned independently) may explain why some LVGs and buying groups obtain different rebates for similar purchase volumes. These differences may be inherent to some degree due to LVGs being better able to influence the purchases made by FOPs compared to buying groups that offer Preferred Product schemes only being able to encourage their members to purchase certain veterinary medicines in order to obtain larger rebates. This means that LVGs may be able to provide manufacturers with greater predictability of their purchase volumes than buying groups.

11.74 That said, there is evidence to suggest that the business practices of buying groups that offer Preferred Product membership schemes may help them to get similar rebates to some LVGs.[730] The selection of Preferred Products allows members to pool their purchase volumes into fewer medicines (such as one rather than two or more) and this increases the certainty of demand for manufacturers that enter these Preferred Product arrangements. In addition, buying groups that encourage closer cooperation between their members on the selection of Preferred Products may mean that a manufacturer considers that there are no

[728] CMA analysis of [✂] data.
[729] This is set out in part A, section 11: Veterinary Medicines, subsection Differences in business models influence the rebates obtained by LVGs and buying groups.
[730] This is set out in in part A, section 11: Veterinary Medicines, subsection Further evidence on a smaller sample of medicines shows that some buying groups can obtain comparable rebates to some LVGs.

significant differences between that buying group and LVGs in rebate negotiations despite the inherent differences in their business models.

Differences in manufacturer rebates obtained by customers of veterinary medicines appear to reflect the reasons that would lead to differences in purchase costs we would expect in a well-functioning market

11.75 Our provisional view is that the rebates for veterinary medicines that customers can negotiate with manufacturers, either directly or through membership of buying groups, is a consequence of the customer's negotiating power and reflects the volume of their purchases as well as the efficiencies achieved through certain procurement and purchasing practices (in particular, the selection of Preferred Products by LVGs and some membership schemes operated by buying groups).

11.76 Differences in purchase costs for veterinary medicines across FOPs does not appear to be materially determinative of their ability to compete. The provision of veterinary medicines is one part of the competitive offering of FOPs that, while important, is one of a number of factors (but not the most significant) considered by pet owners in their choice of FOP. Other factors (such as location or recommendations from friends and family) are more important to pet owners in their choice of FOP than the price of veterinary medicines.[731] This means that these FOPs will be able to have a strong competitive position without the lower purchase costs for medicines available to LVG-owned FOPs.

11.77 There is scope for independent FOPs to lower their purchase costs for medicines by joining a buying group or by switching to a buying group that offers a Preferred Product membership scheme. We understand that a relatively small number of FOPs and third-party retailers may decide not to join a buying group (representing [✂] of purchases of POM-V products for household pets by FOPs and third-party retailers in 2024).[732] We have been told that these FOPs and third-party retailers have not joined a buying group due to viewing them as a step towards corporatisation or a lack of awareness of their benefits.[733] However, we have not found any reason that would prevent them from becoming a member of a buying group if they wished to do so.

Nature of competition

11.78 We set out our understanding of the nature of competition in the supply of veterinary medicines in this subsection.

[731] As set out in part A, section 8: Competition between FOPs.
[732] CMA analysis of [✂] data.
[733] As set out in part A, section 11: Veterinary Medicines, subsection Differences in business models influence the rebates obtained by LVGs and buying groups.

11.79 We describe how the veterinary medicines industry operates, including the regulation of veterinary medicines, the manufacture and distribution of veterinary medicines to FOPs and third-party retailers, the main factors in negotiations between suppliers and customers of veterinary medicines, and the main retail options available to pet owners when purchasing medication for their pet. We describe the main competitive dynamics that influence the supply of veterinary medicines in the UK.

11.80 This subsection is structured as follows:

(a) We outline the regulatory framework that applies to the manufacture, distribution, and retail of veterinary medicines in the UK.

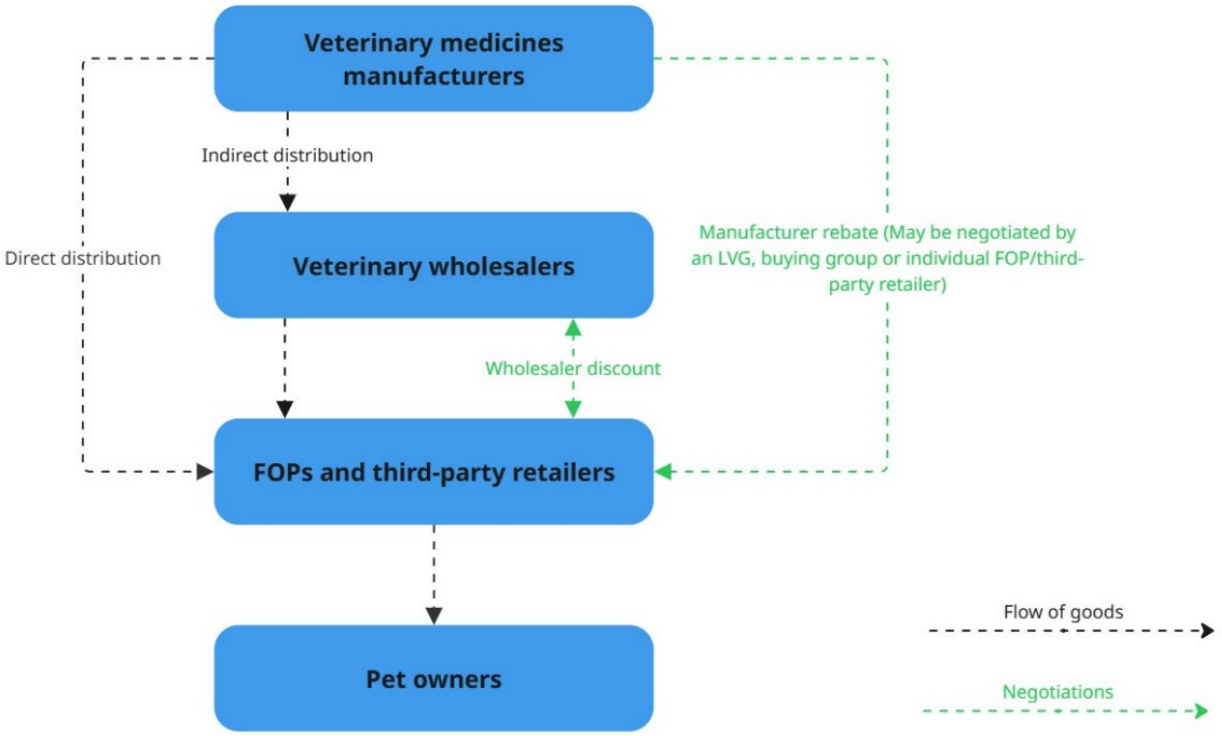
(b) We provide an overview of the manufacture and distribution of veterinary medicines, including the setting of manufacturer list prices for these products, the use of wholesalers by manufacturers and the direct supply to FOPs and third-party retailers by some manufacturers.

(c) We set out our understanding of the main factors in negotiations between suppliers (manufacturers and wholesalers) and customers (FOPs and third-party retailers) of veterinary medicines, such as the rebate schemes used by manufactures to win and retain business as well as the role of buying groups in these negotiations.

(d) We describe the retail of veterinary medicines to pet owners, in particularly the competitive offerings of FOPs and the fees charged to pet owners for accessing the medication that has been prescribed by a vet.

11.81 The movement of veterinary medicines through the supply chain as well as the series of bilaterally negotiated contracts between suppliers (manufacturers and wholesalers) and customers (FOPs and third-party retailers) we describe is summarised in Figure 11.1 below.

Figure 11.1: Overview of the supply of veterinary medicines



Source: CMA analysis and interpretation of evidence obtained as part of this investigation

Regulation of veterinary medicines

11.82 The main legislation regulating veterinary medicines in the UK are the VMRs 2013 (as amended), [734] which have their foundations in European law.[735] The responsible body for the VMRs is the Veterinary Medicines Directorate (the **VMD**) which is an executive agency sponsored by the Department for Environment, Food and Rural Affairs (**Defra**).

11.83 Veterinary medicines, defined as veterinary medicinal products (**VMPs**) in the VMRs, are 'any substance or combination of substances presented as having properties for treating or preventing disease in animals'.[736] These regulations apply not only to companion animals, such as household pets, but also to animals

[734] As amended by The Veterinary Medicines (Amendment Etc.) Regulations 2024. The original Veterinary Medicines Regulations 2013 apply to all the United Kingdom (UK) – ie, England, Wales, Scotland and Northern Ireland. However, the amendments that came into effect in 2024 only apply in Great Britain (ie, England, Wales and Scotland). As such, the amended VMRs provide, in effect, two sets of Regulations having effect in GB and Northern Ireland, respectively.
[735] Other relevant pieces of legislation include the Misuse of Drugs Regulations 2001 (MDR) and the Misuse of Drugs Regulations (Northern Ireland) 2002 as some substances used within the context of veterinary services are also Controlled Drugs (CDs). The regulations relating to CDs are controlled by the Home Office, but the general regulation and enforcement of CDs is jointly undertaken by Home Office, the Veterinary Medicines Directorate, and the Royal College of Veterinary Surgeons.
[736] Section 2 of the VMRs also defines VMPs as any substance or combination of substances that may be used in, or administered to, animals with a view either to restoring, correcting or modifying physiological functions by exerting a pharmacological, immunological or metabolic action, or to making a medical diagnosis; or any substance or combination of substances that may be used for the purpose of euthanising an animal. For the avoidance of doubt, we have not included medicated feeds or feed additives within the scope of our investigation.

reared for human consumption. Veterinary medicines are highly regulated to protect animals, those administering the products, consumers of animal produce, and the environment.

11.84 The VMRs set out how veterinary medicines must be marketed, manufactured, supplied and used. We discuss below several relevant regulatory restrictions contained within the VMRs and/or their interpretation of them by bodies such as the VMD and the RCVS.

The requirement for a marketing authorisation

11.85 No veterinary medicine may be supplied or administered in the UK unless it has a current Marketing Authorisation (**MA**).[737] Each MA stipulates the species and conditions for which the veterinary medicine may be used. There may be several MAs in respect of the same veterinary medicine. This can happen if it is marketed under more than one name or by more than one veterinary medicine manufacturer, either under licence or because it uses the data package of an out-of-patent medicine (a 'generic').[738]

The classification restriction

11.86 As part of its assessment of applications for an MA, the VMD considers what distribution classification to give. **Classification** determines who may sell it to animal owners, administer it to pets, and under which settings these actions should be performed. This is to ensure the safety, quality and efficacy of veterinary medicines. We refer to this as the **Classification Restriction**.

11.87 The VMD makes a judgement based on its assessment of risk in the light of factors such as the properties of the product (for example the toxicity of the product to the animal, the individual administering it and to the environment), its intended use and means of administration, and the proposed classification submitted by the MA applicant during the authorisation process.

11.88 There are four Classifications relevant for our understanding of the supply of VMPs:

(a) Prescription-only Medicine – Veterinarian (**POM-V**). These include medications to treat chronic conditions, vaccines and parasiticides (such as worming treatments), and those forming a necessary component of other clinical activities, such as anaesthetics.

[737] With the exception of the Exemptions for Small Pet Animals (ESPA) which permits certain medicines to be placed on the market without an MA subject to certain conditions.
[738] We understand that a generic MA (in the sense used in the VMD's guidance on marketing authorisations (Accessed 31 July 2025)) is not necessarily a complete copy of the reference product, and is therefore not necessarily clinically equivalent in all circumstances.

(b) Prescription-only Medicine – Veterinarian, Pharmacist, Suitably Qualified Person (**SQP**) (**POM-VPS**). These may be prescribed in circumstances where a veterinary surgeon has carried out a clinical assessment and has the animal under their care. However, POM-VPSs may be prescribed in circumstances where the veterinary surgeon, pharmacist or SQP (together, **Registered Qualified Persons** (**RQPs**) has made no clinical assessment of the animal and the animal is not under the prescriber's care.[739] Sufficient information about the animal and the way it is kept must be known to the prescriber in order to prescribe and supply appropriately.[740] POM-VPS are predominantly used in farm animals and horses to reduce or prevent effects of endemic diseases (such as internal and external parasites and some vaccines).[741]

(c) Non-Food Animal – Veterinarian, Pharmacist, SQP (**NFA-VPA**), may be supplied in circumstances where an RQP is satisfied that the person who will use the product is competent to do so safely, and intends to use it for the purpose for which it is authorised. These medicines do not require a prescription and are often used routinely to prevent or limit the effects of endemic disease in companion animals.[742]

(d) Authorised Veterinary Medicine – General Sales List (**AVM-GSL**). There are no legal restrictions in the VMR for the retail supply of veterinary medicines classified as AVM-GSL ('off-the-shelf' medicine) but a responsible approach to the supply of these medicines is still expected. AVM-GSLs have a wide margin of safety and are used to alleviate or prevent the signs of disease or support the treatment of common ailments.[743]

11.89 Most veterinary medicines for household pets purchased by FOPs and third-party retailers in the UK are POM-V products. Purchases of these products [✂] represented the vast majority [✂] of all purchases of all classifications of veterinary medicines for household pets purchased by FOPs and third-party retailers in 2024.[744]

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[739] An SQP is a person registered with a VMD-approved 'registration body', which sets a syllabus and requirements for registration of an individual practitioner (for example, a veterinary nurse) to enable that person to become an SQP. See VMD Suitably Qualified Persons (SQPs) Code of Practice, Defra, May 2024 (retrieved 2 December 2024). A public list of SQPs is maintained on the VMD website. See VMD Guidance: Suitably Qualified Persons. Examples of registration bodies include: the Animal Medicines Training Regulatory Authority (**AMTRA**), https://www.amtra.org.uk/ (accessed 31 January 2025); VetSkill Ltd, https://www.vetskill.com/ (accessed 31 January 2025); and Vetpol Ltd, https://vetpol.co.uk/ (accessed 31 January 2025).
[740] NOAH Compendium, Legal Category (Accessed 31 July 2025).
[741] What is an SQP? (Accessed 1 September 2025).
[742] VMD, Veterinary Medicines Guidance Note No 3, Guidance for Retailers (2014). We note this guidance has been withdrawn and replaced by Retail of veterinary medicines - GOV.UK
[743] VMD, Veterinary Medicines Guidance Note No 3, Guidance for Retailers (2014).
[744] CMA analysis of [✂] data.

Restrictions on prescribing decisions and the regulation of prescriptions

11.90 The VMRs require vets who prescribe POM-V medicines 'must first carry out a clinical assessment of the animal, and the animal must be under that veterinary surgeon's care'. We refer to this limitation as the **Under Care Restriction**.

11.91 A vet can issue a prescription either verbally or in writing. A verbal prescription amounts to a vet determining that a given medical product should be supplied and recording that fact in their clinical records and then dispensing the product themselves. A written prescription involves documenting the prescription in the way the VMRs stipulate, which other vets or pharmacists can rely on to supply to that pet owner POM-V medicines in the absence of the prescribing vet.

11.92 If a vet issues a prescription verbally, they must:

(a) supply the product themselves (which they can do by individually authorising the supply and satisfying themselves that the person handing the product over to the pet owner is competent to do so);[745]

(b) maintain records of the verbal prescription;[746] and

(c) where the verbal prescription is an on-going or repeat prescription (for example, permitting a monthly supply of a drug until a check-up of the animal due in six months' time), record details such as the product name, the pack size/volume/quantity of the product, dosage instructions, necessary warnings/instructions and details of the frequency of the repeat and time period it covers (for example, the date of the next check-up).[747]

11.93 For written prescriptions, vets must (among other things) include: the name, address and telephone number of the person prescribing the medication; the name and amount of the veterinary medicine prescribed; the dosage and administration instructions; and detail any necessary warnings for the use of this medication.[748]

11.94 A written prescription is valid for up to six months, or 28 days in the case of controlled drugs. The VMRs include a statutory list of requirements the information a written prescription should include, such as the name of the product, dosage,

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[745] VMRs schedule 3, paragraph 9
[746] VMRs, schedule 3, paragraph 5(1A)
[747] For further details, see VMD, Guidance on Retail of Veterinary Medicines 'Ongoing and repeat verbal prescriptions' (Accessed 1 August 2025).
[748] VMRs schedule 3, paragraph 6. Specifically, a written prescription must include: the name, address and telephone number of the person prescribing the product; the qualifications enabling the person to prescribe the product; the name and address of the owner or keeper; the identification (including the species) of the animal or group of animals to be treated; the premises at which the animals are kept if this is different from the address of the owner or keeper; the date of the prescription; the signature or other authentication of the person prescribing the product; the name and amount of the product prescribed; the dosage and administration instructions; any necessary warnings; the withdrawal period if relevant; and if it is prescribed under the cascade, a statement to that effect.

applicable warnings, and details of the prescribing vet and animal to which the prescription relates.[749]

11.95 Written prescriptions must be signed, but this can be an e-signature (unless for a controlled drug, in which case different regulations apply).[750]

11.96 Veterinary medicines are authorised for specific conditions for specific target species (for example, to treat arthritis in dogs).[751] However, sometimes there is no authorised medicine available for the treatment of a particular combination of species and condition. The VMRs allow the administering or prescribing of an alternative (such as a human generic with the same active ingredient) under the prescribing requirements set out in paragraph 1 of schedule 4 to the VMRs (the **Cascade**), but only where no authorised product is available (paragraph 1(2) of the Cascade); we refer to this limitation as the **Cascade Restriction**.

Regulation of pharmacies supplying Prescribed Veterinary Medicines

11.97 Pharmacists or vets supplying veterinary medicines against written prescriptions may do so either from a registered pharmacy or veterinary practice.[752] A vet or pharmacist operating from the premises must supply the product themselves (which they can do by individually authorising the supply and satisfying themselves that the person handing the product over to the pet owner is competent to do so).[753]

11.98 Online pharmacies (whether a pharmacy as such, or veterinary practice supplying veterinary medicines against written prescriptions online) must also be registered with the VMD.[754]

11.99 In addition to this mandatory registration, the VMD operates a voluntary scheme which provides a list of 'accredited websites that sell authorised veterinary medicines' that pet owners could use when searching for third-party retailers of medication their pet has been prescribed.[755]

The wholesale supply restriction

11.100 The regulatory controls on VMPs after authorisation and classification include wholesale, advertising and retail supply restrictions. Except in cases of temporary

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[749] The full list of requirements can be found in the VMRs, schedule 3, paragraph 6.
[750] VMRs, schedule 3, paragraph 6.
[751] VMD Guidance, The cascade: prescribing unauthorised medicines (accessed 12 August 2025)
[752] This includes pharmacies registered with the General Pharmaceutical Council (GPhC) or the Pharmaceutical Society of Northern Ireland (PSNI); VMRs schedule 3, paragraph 10. A registered SQP is also able to supply veterinary medicines at a site appropriately registered as an SQP retailer. For more information on who can supply veterinary medicines and from which premises see VMD Guidance, Retail of Veterinary Medicines (accessed 21 August 2025)
[753] VMRs schedule 3, paragraphs 9 and 10.
[754] VMRs schedule 3, paragraphs 3B to 3D.
[755] Accredited internet retailer scheme (accessed on 23 May 2025). Note that this system is in the process of being replaced by the Register of Online Retailers (accessed 21 August 2025)

supply shortages (for example, where a retailer supplies another retailer 'for the purpose of alleviating a temporary supply shortage that could be detrimental to animal welfare'), the VMRs permit wholesale supply of veterinary medicine products (including Prescribed Veterinary Medicines) only by either an MA holder (usually a manufacturer) or the holder of a Wholesale Dealer's Authorisation (**WDA**).[756]

11.101 A wholesale dealer's authorisation is a specific authorisation granted by the VMD if the requirements of the VMRs are complied with by the business applying for it (such as having safe storage and competent staff).[757]

11.102 Retailers (including, for example, online pharmacies) may therefore not supply other retailers, including FOPs. We refer to this as the **Wholesale Supply Restriction**.

The advertising restriction

11.103 The VMRs set out restrictions on who may advertise veterinary medicines and to what audience. The VMD have also produced guidance to aid in the interpretation of these regulations.[758]

11.104 Advertising is widely defined as any activity in connection with a veterinary medicine that is aimed or designed to promote the sale, distribution, supply, prescription or the use of veterinary medicine, whether for profit or not. Examples include postal flyers, website banners or pop ups, and texts providing information about animal illness that specifically promotes a particular veterinary medicine, presentations and other verbal communications.[759]

11.105 Retailers of POM-V medicines may not advertise their products to pet owners. It is an offence under the VMRs to do so.[760] We refer to this as the **Advertising Restriction**. The justification for this restriction is underpinned by animal welfare concerns as any use of veterinary medicines should be based on their medical suitability rather than for any potential financial gain.[761]

11.106 Price lists are not considered as advertising materials as long as all products are listed with equal prominence. Online retailers are permitted to direct customers to their websites in response to a search for a specific POM-V or POM-VPS medicines but cannot use non-specific terms such as 'arthritis in dogs' in order to channel online pet owners to their sites.[762]

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[756] VMRs schedule 3, paragraph 2.
[757] VMRs schedule 3, paragraphs 18 to 21.
[758] Advertise veterinary medicines legally - GOV.UK (Accessed 31 July 2025).
[759] Advertise veterinary medicines legally - GOV.UK (Accessed 31 July 2025).
[760] The offences for non-compliance with these requirements are under Regulation 43, (f), (fa) and (g) of the VMRs.
[761] For example, VMD response to Remedies Working Paper, 24 May 2025, [✂].
[762] Advertise veterinary medicines legally - GOV.UK (Accessed 31 July 2025).

Manufacture and distribution of veterinary medicines

11.107 There are around twenty-five manufacturers that supply veterinary medicines in the UK, at least four of which also manufacture human medicines.[763] Many of these manufacturers operate globally, supplying the UK through local subsidiaries.[764]

11.108 As noted above, manufacturers are required to obtain MAs for each veterinary medicine they supply in the UK. As this requires them to demonstrate its safety, quality, and efficacy, the regulatory requirement to obtain an MA affects the timing and costs of bringing new veterinary medicines to market.

Some manufacturers supply Own Brand products to LVGs and buying groups

11.109 A recent development in the manufacture of veterinary medicines is the increasing prevalence of Own Brand products. These products are versions of medicines that, rather than having the brand name of a manufacturer, have the brand name of the retailer or distributor of the product.

11.110 We have found that two LVGs – CVS and IVC – and one buying group ([✂]) have Own Brand POM-V medicines.[765] Another buying group ([✂]) supplies Own Brand medicines which are not POM-Vs.[766]

11.111 We understand that there are benefits to supplying Own Brand medicines.[767] These benefits include added security of supply for these products, delivering a better value proposition for pet owners, and better control over input pricing that can be passed on to pet owners through lower prices.[768,769] One manufacturer ([✂]) that supplies Own Brand medicines told us that supplying these types of medicines required [✂], a higher level of supply visibility compared with other products, [✂].[770]

Manufacturers set list prices for the medicines they supply

11.112 Manufacturers set a list price for their veterinary medicines, which is used as a reference point in negotiations on rebates and discounts as well as by FOPs and

[763] [✂].
[764] For example: Manufacturer RFI responses [✂].
[765] LVG responses to RF11 [✂]. See also: MiPet & EqueVet-Pro | CVS Group (Accessed 31 July 2025); IVC Evidensia announces first exclusive brand POM-V (Accessed 31 July 2025); Note of a call with a buying group [✂].
[766] Call with a buying group [✂].
[767] Call with a buying group [✂]; Call with a buying group [✂]. LVG responses to RFI11 [✂].
[768] Call with a buying group [✂]. Call with a buying group [✂]. LVG response to RFI11 [✂].
[769] [✂]. LVG [✂] response to putback, September 2025.
[770] Call with a manufacturer [✂].

retailers when setting prices for pet owners. The list prices set by manufacturers are not intended to be specific recommendations for retail prices.[771]

11.113 Manufacturers consider a range of factors when setting list prices.[772] These differ across manufacturers, but may include (and are not limited to), pet owners' willingness to pay for the product, the prices of similar medicines in the market (if they exist), the added value of the product to pet owners compared to other medicines in the market (such as a more convenient form of administration),[773] potential rebate strategy when setting list prices, internal considerations such as existing sales volumes and values.[774,775] Manufacturers said that list price setting differs for generic versions of existing branded medicines, as the existence of equivalent products in the market means that prices are more competitive.[776]

11.114 We note that no manufacturers contacted as part of our investigation told us that they consider the prices of equivalent or similar human medicines when setting the list prices for the veterinary medicines they manufacture.

Most manufacturers distribute veterinary medicines through wholesalers

11.115 The VMRs require that FOPs and third-party retailers buy their medicines from a provider that is licensed for wholesale supply by either holding a manufacturer's authorisation or a wholesale dealer's authorisation.[777]

11.116 Most manufacturers active in the UK sell veterinary medicines to FOPs and third-party retailers only through wholesalers.

11.117 There are three main wholesalers in the UK: [✂].[778] Another wholesaler ([✂]) focuses mainly on non-household animals,[779] and one other wholesaler operates mostly in Northern Ireland and Ireland ([✂]).[780]

11.118 Wholesalers typically purchase veterinary medicines in bulk directly from manufacturers and then sell them on to their customers (FOPs and third-party retailers) in smaller quantities.[781] These medicines are stored in warehouses and delivered directly to FOPs and retailers, mainly using the logistics operations of wholesalers.[782] Wholesalers share data on the purchase volumes of their

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[771] Notes of calls with manufacturers [✂]; IVC response to the February 2025 working papers, March 2025, slide 66.
[772] For example: Manufacturer RFI responses [✂]; Notes of calls with manufacturers [✂].
[773] Manufacturer RFI response [✂]; Note of call with manufacturer [✂].
[774] Manufacturer RFI response [✂].
[775] One manufacturer said it considers the (i) cost of production; (ii) competition in the market and (iii) commercial viability of the product in determining its list price. Note of call with manufacturer [✂].
[776] For example: Manufacturer RFI responses [✂] and Note of a call with a manufacturer [✂].
[777] VMRs schedule 3, paragraph 2.
[778] Each of these wholesalers identified the other two as their main competitors in the UK. Wholesaler responses to RFI1 [✂]; and [✂].
[779] Wholesaler [✂] RFI1 response, Q1a.
[780] Wholesaler [✂] RFI1 response, Q1a.
[781] Wholesaler [✂] Supply RFI1 response, Q1(a).
[782] Wholesaler [✂] RFI1 response, Q1(a).

customers with manufacturers to facilitate rebate calculations when requested by customers.[783]

11.119 Wholesalers typically hold a wide range of veterinary medicines in stock, enabling their customers to access a variety of products that can be easily delivered to them when needed. Product range is therefore an important factor when FOPs and third-party retailers choose a wholesaler.[784] As a result, FOPs can choose between or switch wholesalers without having to change their chosen manufacturer because wholesalers stock and distribute all common veterinary medicines on behalf of a range of manufacturers.

11.120 Those manufacturers who largely rely on wholesalers to distribute their products believe the use of wholesalers is more efficient for FOPs and third-party retailers than supplying their products to them directly. In particular, one ([✂]) told us the wholesale route was popular for FOPs, likely due to the convenience that wholesalers can provide through daily deliveries and the ranges of products from different manufacturers.[785] Another manufacturer ([✂]) told us that it had considered moving to a direct distribution model but noted that it would be challenging to compete with wholesalers as the service they provided was 'exceptional'.[786]

Some manufacturers use direct distribution rather than wholesalers

11.121 Alternatively, manufacturers can distribute veterinary medicines directly to customers. We understand that at least one manufacturer ([✂]) only supplies FOPs and third-party retailers using direct distribution, with two others ([✂]) supplying some large customers directly rather than through wholesalers.[787] Manufacturers have direct supply relationships with their customers in this model, although they may use wholesaler logistics for distribution.[788,789]

11.122 The manufacturers that use this model told us that their customers benefit from this supply arrangement. One ([✂]) explained that applying all discounts 'on-invoice' increases certainty and transparency of pricing for customers.[790] Another ([✂]) told us that the aim of customers purchasing directly from manufacturers was typically to lower purchase prices by removing wholesalers from the supply

[783] Wholesaler [✂] RFI1 response, Q1(b).
[784] For example: Wholesaler RFI responses [✂]; and [✂].
[785] Manufacturer [✂] RFI1 response, [✂].
[786] Call with a manufacturer [✂], [✂].
[787] Manufacturer responses to RFI1 [✂]; and [✂].
[788] Manufacturer [✂] RFI1 response, [✂].
[789] One wholesaler [✂] explained that, as it acts as third-party logistics provider for manufacturers, it processes orders and delivers these to customers that have direct supply relationships with manufacturers. Customers are invoiced by manufacturers and may pay a fee for distribution services provided by the wholesaler. Manufacturer [✂] RFI1 response, [✂].
[790] Manufacturer [✂] RFI1 response, [✂]. This in contrast to the payment of rebates based on the actual purchase volumes of veterinary medicines over a given period.

chain, although this may come at the expense of increased distribution costs for customers as a result of not using wholesalers.[791]

11.123 Another manufacturer ([✂]) told us that, in its opinion, the use of direct distribution by other manufacturers was leading to increasing concentration in the wholesaler market.[792] This manufacturer told us that FOPs prefer to order from one selected wholesaler for efficiency and convenience. This has had the effect of some FOPs switching to use the wholesalers that provide the logistics for the manufacturers operating the direct distribution model. Consistent with this, one LVG [✂] told us that [✂].[793]

Negotiations between suppliers and customers of veterinary medicines

11.124 Veterinary medicines are typically procured through a series of bilaterally negotiated contracts between suppliers (manufacturers and wholesalers) and customers (FOPs and third-party retailers).

11.125 The key commercial terms covered in these contracts relate to rebates (from manufacturers) and discounts (from wholesalers). All FOPs and third-party retailers use the same manufacturer list price for a product as the starting point in their negotiations with their suppliers, but their ultimate purchase costs depend on the level of rebate and discount they can obtain from manufacturers and wholesalers, respectively. The ultimate purchase cost of a veterinary medicine is described as a 'net net' price as it is the manufacturer list price net of both the manufacturer rebate and wholesaler discount.

Manufacturers offer rebates to FOPs and third-party retailers who purchase their products

11.126 While manufacturers consider competitive pressures when setting list prices for their products, we have found that an important driver of competition between manufacturers when winning and retaining business from FOPs and third-party retailers is the level and structure of rebates.

11.127 Rebates are typically a percentage discount applied against the list price for a product set by the manufacturer. While the same veterinary medicine sold by FOPs and third-party retailers will have the same list price, the cost to FOPs and third-party retailers of purchasing this product will depend on the rebates they are able to obtain from manufacturers. One buying group ([✂]) explained that manufacturers offer rebates because (as set out in more detail below) most manufacturers distribute through wholesalers and are therefore unable to offer

[791] Manufacturer [✂] RFI1 response, [✂].
[792] Manufacturer [✂] RFI1 response, [✂].
[793] LVG [✂] RFI11 response, [✂].

direct discounts to customers so must instead offer retrospective discounts in the form of rebates.[794]

11.128 Most manufacturers ([✂]) and LVGs ([✂], [✂], [✂]) contacted as part of our investigation told us that the volume of purchases made at a product (or a product category) level were typically a key factor in determining rebates, with one manufacturer ([✂]) assigning rebates for some purchases/customers across the range of products they purchase (often described as at the 'portfolio' level).[795] One LVG ([✂]) outlined that there was 'no standard rebate calculation and each manufacturer is different in their approach', noting that rebates can be negotiated 'around volumes purchased from the manufacturer either in terms of the individual product, the product group, the basket of products purchased or total purchases with the manufacturer'.[796]

11.129 When negotiating rebates, manufacturers ([✂]) and LVGs ([✂]) said that projected and/or historic purchase volumes were typically a key factor used to determine the level of rebates.[797] Our review of contracts between manufacturers and their customers (FOPs and third-party retailers) showed that rebate agreements differ across manufacturers, but can in some instances also include (i) minimum or guaranteed rebates that are not dependent on volumes and/or (ii) growth rebates where the customer is entitled to higher rebates if purchase volumes in a given time period exceed that of a corresponding historic time period.[798]

11.130 While rebates are typically negotiated based on purchase volumes in the UK, we have seen some instances where non-UK purchase volumes are considered by manufacturers when setting rebate levels. One manufacturer ([✂]) and three LVGs ([✂], [✂], [✂]) told us that rebates could be based on purchases which include medicines purchased outside the UK,[799] although with mixed success for one LVG [✂],[800] One LVG ([✂]) submitted that it aims to further incorporate international purchase volumes in manufacturer negotiations in future.[801]

11.131 An LVG ([✂]) told us that manufacturers might also consider the advantages to supplying that LVG in determining the level of rebates offered.[802] These advantages may include visibility and a degree of certainty on expected volumes, efficiencies in the sales process from liaising with one point of contact for all of that LVG's clinics rather than individual FOPs, and increased compliance insofar as the

[794] Call with a buying group [✂].
[795] Manufacturer RFI responses [✂]; LVG RFI responses [✂].
[796] LVG [✂] RFI3 response, [✂].
[797] Manufacturer RFI responses [✂]; LVG RFI responses [✂].
[798] For example Manufacturer [✂] internal document, [✂], Buying group [✂] internal document, [✂], Manufacturer [✂] internal document, [✂].
[799] Call with a manufacturer [✂]. LVG responses to RFI18 Q19 [✂].
[800] LVG [✂] response to putback, September 2025.
[801] LVG [✂] RFI18 response, [✂].
[802] LVG [✂] RFI2 response, [✂].

LVG provides its clinics with guidance on the circumstances under which a given medicine must be used and monitoring of volumes underpinning the rebated. One manufacturer ([✂]) told us that it may offer additional rebates to reflect efficiencies generated through centralised procurement used by LVGs and other larger corporate customers.[803]

Buying groups enable FOPs and third-party retailers to obtain larger rebates

11.132 FOPs and third-party retailers can choose to join buying groups. Buying groups use the collective negotiating power of their members (including by pooling their volumes together) to obtain larger rebates with manufacturers than would be available to individual members acting alone.

11.133 Buying groups support their members in other ways when negotiating with manufacturers. This can include reducing the administrative costs associated with managing rebate payments from manufacturers, as well as increasing transparency of the 'net net' price of medicines they purchase.[804] For example, buying groups may provide members with a buying group statement or access to price calculators which allow them to view the cost of a product once accounting for all manufacturer rebates and wholesale discounts.[805] One buying group ([✂]) told us that one of its key benefits is that members are charged the cost of the product minus manufacturer rebates and wholesale discounts when they are invoiced, which means that the benefit of the manufacturer rebate is received upfront rather than reimbursed retrospectively.[806]

11.134 Buying groups are funded by membership fees. The structure of these fees varies across buying groups and can be based on (i) a monthly membership fee, (ii) a percentage of a member's total wholesaler spend on products purchased through the buying group, and/or (iii) a percentage of the manufacturer rebate received on products purchased through the buying group. For example two buying groups ([✂], [✂]) charge members based on a commission of [0-5%] [✂] and [0-5%] [✂] of total wholesaler spend.[807] Another buying group [✂] charges an annual membership fee for both its non-Preferred Product scheme and Preferred Product scheme, in addition to taking a commission on rebates for members of both groups.[808]

11.135 Most buying groups offer a wider range of services that their members can choose from beyond facilitating collective negotiations for veterinary medicines. The additional services include support with recruitment, practice management

[803] Manufacturer [✂]. RFI1 response, [✂].
[804] Buying group responses to RFI1 [✂].
[805] Buying group [✂] RFI response, [✂]; Note of a call with an online pharmacy [✂].
[806] Call with a buying group [✂].
[807] Calls with buying groups [✂].
808 Note of a call with a buying group [✂].

systems, increasing footfall to FOPs, marketing and advertising activities, and HR support.[809] One buying group ([✂]) noted that it will not typically benchmark its fees against competitors as it competes on a wider offering it provides to members.[810]

11.136 Some buying groups are related to other businesses active in the supply of veterinary medicines. For example, two buying groups ([✂]) are part of a wider group that provides additional services to independent vets beyond the administration of veterinary medicines procurement.[811] Some buying groups are part of the same group as wholesalers ([✂], [✂]), operated by LVGs (CVS are in the same group as MiVetClub and VetShare), or are run by the independent veterinary practices that are their members ([✂]).[812]

11.137 Online pharmacies that are not part of groups that own FOPs (such as LVGs) could decide to join a buying group to obtain larger rebates on their purchases than dealing directly with manufacturers. Some of the online pharmacies we contacted as part of our investigation were members of buying groups.[813] One online pharmacy ([✂]) told us that it had investigated the possibility of joining buying groups but decided not to, as [✂].[814]

There should be no discrimination between FOPs and third-party retailers by manufacturers when negotiating rebates

11.138 The Supply of Relevant Veterinary Medicinal Products Order 2005 (which was introduced as part of The Competition Commission's 2003 Remedy Package) included remedies which were designed to remove some of the barriers to entry faced by pharmacy businesses. This includes forbidding unreasonable discrimination by manufacturers between FOPs and pharmacies in prices, rebates, or terms and conditions for prescribed veterinary medicines.[815]

11.139 Manufacturers contacted as part of this investigation told us that they comply with this Order.[816] While we have seen some evidence of limited instances where a small number of online pharmacies did not appear to obtain the same rebates or terms and conditions available to FOPs from a small number of manufacturers,[817] this does not suggest that there is a widespread problem faced by online pharmacies in accessing the same commercial terms available to FOPs.

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[809] Notes of calls with buying groups [✂].
[810] Note of a call with a buying group [✂], 2 May 2025, paragraph 15.
[811] Buying group RFI responses [✂].
[812] Buying group RFI responses [✂]; and [✂].
[813] For example: Online pharmacy RFI responses [✂].
[814] Online pharmacy [✂] RFI2 response, [✂]. We note, however, that [✂].
[815] The Supply of Relevant Veterinary Medicinal Products Order 2005, Article 6.
[816] Manufacturer responses to RFI1 Q12 [✂].
[817] Online pharmacy [✂] RFI2 response, [✂].

Wholesalers obtain and pass on discounts on list prices from manufacturers

11.140 Wholesalers obtain a discount (but not rebates) on the list price set by manufacturers when purchasing medicines from them. One wholesaler [✂] and two manufacturers [✂] told us that this discount is typically a fixed 15% on the list price set by manufacturers.[818]

11.141 We understand that wholesalers pass on most of their discount from manufacturers to their customers. One wholesaler [✂] told us that it passes on between 12% and 14% of its discounts on manufacturers' list prices.[819] Other evidence we have seen suggests that at least some LVGs are able to obtain most (if not all) of the 15% discount obtained from wholesalers on the list price of medicines.[820]

11.142 While the discounts from wholesalers available to FOPs and third-party retailers do reduce the price they pay for veterinary medicines, it is the rebates agreed with manufacturers that have the largest direct impact on the purchase costs of FOPs and third-party retailers with material volumes of sales. For example, the average wholesale discount on manufacturer list prices obtained by LVGs can be between [5-10%] [✂] ([✂]) and [10-20%] [✂] ([✂]).[821] In contrast, the average manufacturer rebates on list prices reported by LVGs can be between [20-30%] [✂] ([✂]) and [50-60%] [✂] ([✂]).[822]

Retail of veterinary medicines to pet owners

11.143 The main options available to pet owners looking to purchase veterinary medicines are FOPs and online pharmacies.[823] Although we understand that it may be possible to purchase some medication for animals from 'bricks and mortar' pharmacies, we have not seen evidence to suggest that this is a material sales channel for veterinary medicines.

The provision of veterinary medicines is one aspect of the competitive offering of FOPs

11.144 The provision of medication is one element of the wide range of complementary veterinary services available to pet owners at their FOP. The decision to prescribe medication can therefore be seen as a step in the process that starts with the

[818] Manufacturer RFI responses [✂]; and [✂]. One other manufacturer [✂].
[819] Wholesaler RFI response [✂].
[820] For example: Wholesaler [✂] Supply RFI1 response, [✂]; LVG [✂] RFI11 response, [✂].
[821] LVG RFI responses [✂]. We note that the information provided by one LVG [✂] reflected the average discount from one of their wholesalers rather than the average discount on purchases from all wholesalers.
[822] LVG RFI responses [✂]. We note that the information provided by one LVG [✂] reflected the average rebate on all veterinary medicines rather than exclusively POM-Vs.
[823] For example: Pet owners survey, Q95 and Q96.

initial consultation and includes diagnosis, advice on treatment pathways and other services.

11.145 Purchasing medication directly from a FOP is part of the services offered by FOPs to pet owners. The benefits of this convenience may be particularly important where a pet owner has brought their pet to a FOP to diagnose and treat an urgent health condition.[824] Some veterinary businesses have told us the dispensing of medication at the FOP could be considered as intrinsically linked to the services offered by FOPs.[825]

Vets within FOPs hold a 'gateway' role in the provision of medication

11.146 Vets play a role in the purchase of certain veterinary medicines (POM-Vs) regardless of whether or not the pet owner ultimately purchases a product from their FOP. This is because pet owners must obtain a written prescription from a vet before they are able to buy most veterinary medicines from a third-party retailer, such as an online pharmacy.

11.147 The strict regulation around written prescriptions means that, regardless of where the pet owner intends to purchase the medicine, the prescribing decision of the vet during a consultation is the critical point at which the choice of veterinary medicine available to that pet owner is determined.[826]

11.148 Vets primarily recommend medicines to pet owners based on their pet's clinical need and may according to the principles of contextualised care consider the circumstances of the pet and the pet owner when making these recommendations. Pet owners may decide between different options presented by vets but do not have the ability to independently choose between different medicines.[827] Instead, pet owners decide whether to accept their vet's recommendation to use a particular medicine and, if so, whether to purchase the medicine from a FOP or a third-party retailer.

11.149 Where veterinary medicines are dispensed by a third-party retailer, rather than by a FOP, the product provided to pet owners must match the medication detailed on the written prescription. While a written prescription can be specified in a number of ways (for example, a prescription by active ingredient or generic name rather

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[824] This is consistent with our survey. When pet owners whose pet had been prescribed medication by their vet in the past two years were asked to select the reasons why they decided to purchase medication from their FOP: 50% said it was the most convenient option for them; 31% said they bought medication from their FOP as they needed to purchase the medication quickly; and 5% pet owners said that only their vet was able to administer the medication that had been prescribed (Pet owners survey, Q99). This is explored further as part of our assessment of competition between FOPs and third-party retailers in the supply of veterinary medicines.
[825] For example: Medivet response to the February 2025 working papers, 21 March 2025, paragraph 6.17; Pets at Home response to February 2025 working papers, 21 March 2025, p5.
[826] The regulation of written prescriptions is set out in part A, section 11: Veterinary Medicines, subsection Regulation of pharmacies supplying Prescribed Veterinary Medicines, above.
[827] For example: LVG responses to RFI11 [✂]; and Qualitative research with veterinary professionals, p.23.

than the brand name of the medication), we understand that vets typically prefer to prescribe by specific brand names. This is because (i) there are clinical differences between medicines that share an active ingredient, and (ii) vets are clinically responsible for the effects of the prescribed medication on the animal under their care.[828] VMD Guidance encourages pharmacists at third-party retailers to contact the prescribing vet should they have questions or concerns about a written prescription because the prescribing vet remains clinically responsible for the animal and its treatment even when medication is purchased from a third-party retailer.[829]

The medicines retailed by FOPs depends on the recommended treatment of the vet as well as the stocking and procurement decisions of a FOP

11.150 The veterinary medicines recommended to pet owners and available to purchase at a given FOP may be influenced by a range of factors.

11.151 The veterinary medicine prescribed by a vet depends on the diseases or condition to be treated, the species of the pet, and the route of administration (for example, a tablet or injection). Vets may have a choice between alternative medicines that would be effective in treating a given disease or condition being experienced by a pet. Some veterinary medicines could also be effective in treating multiple diseases or conditions, for example Metacam (which can be used for short-term pain relief or a longer-term treatment for arthritis). The same veterinary medicine could also be used as curative and preventative treatments, such as Bravecto (which is a chewable tablet form of medication for tick and flea infestations in dogs).

11.152 While there is a wide range of treatments for which veterinary medicines can be prescribed by vets to treat the diseases and conditions experienced by a pet, a significant majority of POM-V products for household pets purchased by FOPs and third-party retailers in 2024 fall into four broad categories.[830]

(a) **Parasiticides.** Medicines in this category are used to treat external parasites (such as fleas and ticks) or internal parasites (such as worms). These veterinary medicines represented [30-40%] [✂] of POM-V products for household pets purchased by FOPs and third-party retailers in 2024.[831]

(b) **Anti-inflammatories, analgesics, anaesthesia, and sedation.** Both sedatives and anaesthetics assist sleep and muscle relaxation. Analgesia (pain relief) can be achieved using opioids, but non-steroidal anti-

[828] For example: [✂].
[829] VMD Guidance: Retail of veterinary medicines (accessed on 19 May 2025).
[830] These four treatment categories represent [✂] of POM-V products for household pets purchased by FOPs and third-party retailers in 2024. Source: CMA analysis of [✂] data.
[831] CMA analysis of [✂] data, [✂].

inflammatories (NSAIDs) also have analgesic properties. Anti-inflammatories can be separated into steroids corticosteroids) and NSAIDs. Medicines in this category represented [✂] of POM-V products for household pets purchased by FOPs and third-party retailers in 2024.[832]

(c) **Vaccines.** These medicines prevent or mitigate the long-term effects of many diseases caused by viruses, bacteria, fungi, and parasites that could be experienced by pets. Medicines in this category represented [✂] of POM-V products for household pets purchased by FOPs and third-party retailers in 2024.[833]

(d) **Antimicrobials and other dermatological products.** Medicines in this category treat microbial infections (including antibiotics and antifungals) as well as skin disorders (such as allergies and dermatitis). These veterinary medicines represented [✂] of POM-V products for household pets purchased by FOPs and third-party retailers in 2024.[834]

11.153 RCVS Guidance states that all FOPs are required to provide an adequate stock of appropriate medicines.[835] To meet this obligation a FOP requires a stock which is tailored to its caseload and sufficiently reflects the range of services it offers to pet owners.[836]

11.154 In our qualitative research with vets and vet nurses, some veterinary professionals told us that stock availability was a key consideration for their medication recommendations. Many FOPs only offer a single brand of medication (rather than two or more clinically equivalent alternatives) to simplify inventory management.[837] Related to this, the veterinary medicines available to purchase at a given FOP may be influenced by various factors, including certain medicines being identified as a 'preferred' or 'recommended' product (which we refer to as Preferred Products), as selected through the procurement processes of LVGs and buying groups.[838]

11.155 We understand that Preferred Products are selected only where more than one manufacturer offers veterinary medicines that are clinically equivalent. This equivalence could be based on the active ingredients of products,[839] based on a clinical assessment used to evaluate the similarity between medicines as part of

[832] CMA analysis of [✂] data, [✂].
[833] CMA analysis of [✂] data, [✂].
[834] CMA analysis of [✂] data, [✂].
[835] RCVS Practice Standards Scheme, Medicines Core Standards 10.1.9. The RCVS Code requires compliance with the PSS Core Standards even for those practices which have not signed up to the scheme. CVS response to the February 2025 working papers, 21 March 2025 fn 26.
[836] Examples of practical applications of this are set out in the following, for example: Pets at Home response to the February 2025 working papers, 21 March 2025
[837] Qualitative research with veterinary professionals, p. 5.
[838] For example: LVG RFI responses [✂]; Manchester roundtable summary, p3; Buying group RFI responses [✂].
[839] LVG [✂] RFI2 response, [✂]; Buying group [✂] RFI1 response, [✂].

the procurement process,[840] and/or decided with reference to the position of medication on the Cascade.[841]

11.156 Where these Preferred Products are used, they are typically prescribed by the vet and are the products available to purchase at a given FOP. LVGs and several independent FOPs told us that the selection of Preferred Products did not prevent alternatives being prescribed by vets within a FOP based on their clinical judgement.[842] In our qualitative research, most veterinary surgeons reported that they were able to order 'off-list' if there was a clinical reason to do so, though friction was sometimes experienced in doing this by vets who worked for LVGs.[843] Consistent with our qualitative research, an LVG ([✂]) told us that they monitor the use of Preferred Products in their FOPs, though emphasised that this does not remove the clinical freedom of the vets or practice.[844]

FOPs charge a range of fees in relation to veterinary medicines

11.157 When a vet prescribes medication, pet owners will typically be charged additional fees to access the prescribed veterinary medicine. The total cost of accessing medication for a pet owner is therefore the retail price of the veterinary medicine and the additional fees charged by a FOP.

11.158 These additional fees can be charged for a vet administering medication to the pet as part of the consultation, dispensing the prescribed veterinary medicine for the pet owner to take home with them, or for providing written prescriptions when a pet owner wishes to purchase veterinary medicines from a third-party retailer.

11.159 These fees may be related to some extent to various costs faced by FOPs in relation to the supply of veterinary medicines.[845] The incidence of these fees will vary depending on how often the pet owner needs to return to the FOP, which may in turn depend on the clinical condition the medicine is being dispensed, prescribed, or administered to treat as well as the volume of medicine involved at each instance of dispensing, prescription, or administration.

11.160 We have seen evidence that shows the level of administration and dispensing fees vary significantly across FOPs. This is shown in Table 11.1.

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[840] LVG RFI responses [✂].
[841] Buying group [✂] RFI1 response, [✂]; LVG [✂] RFI11 response, [✂].
[842] LVG RFI responses [✂]; Independent vets RFI responses [✂]. This point was additionally made by a buying group through putback, September 2025 [✂].
[843] Qualitative research with veterinary professionals, pp27-28.
[844] LVG RFI response [✂].
[845] We note that RCVS Guidance states that 'Veterinary surgeons may make a reasonable charge for written prescriptions'. RCVS Guidance, paragraph 9.27.

Table 11.1: Administration and dispensing fees charged by FOPs (2024)

	Data from LVGs	*Data from independent FOPs*	*Data from independent sites obtained from [✂]*
Administration and injection fees	£10 to £30	£0 to £15[846]	£10 to £20 [✂]
Dispensing fees	£5 to £20	£0 to £20[847]	£5 to £10 [✂]

Source: CMA analysis of data provided by LVGs ([✂]), by [✂], and by independent FOPs.

11.161 Our analysis of data obtained from LVGs and [✂] shows that the level of prescription fees varies significantly across sites,[848] with LVGs typically charging around [£5-10] [✂] more for the provision of a written prescription than independents.[849] This is shown in Table 11.2 below.

Table 11.2: Prescription fees charged by FOPs (2024)

	LVGs	*Independent sites*	*All sites*
Weighted average prescription fee	[£20-30]	[£10-20]	[£10-20]
Median prescription fee	[£20-30]	[£10-20]	[£20-30]
Lower quartile of prescription fees	[£10-20]	[£10-20]	[£10-20]
Upper quartile of prescription fees	[£20-30]	[£10-20]	[£20-30]

Source: CMA analysis of data provided by LVGs ([✂]) and [✂]].

11.162 Our analysis also shows that there is a wide range in the fees charged at LVG-owned sites. All LVGs (apart from [✂], which appears to set a national fee of [✂] allow sites to set prescription fees locally. The median prescription fee charged at [✂] -owned sites ([£20-30] [✂]) is around double the median prescription fee of [✂]-owned sites ([£10-20] [✂]).[850]

11.163 Other evidence also shows that written prescription fees vary across FOPs. The SPVS fees survey found that the median fee nationally for a written prescription was £15 in 2022 and £17.96 in 2023.[851] Vets and vet nurses included in our qualitative research reported written prescription fees in a range of £12 to £36,

[846] CMA analysis of small medium vets RFI responses [✂].
[847] CMA analysis of small medium vets RFI responses [✂].
[848] Our analysis includes data from both regular FOPs and a small number of sites providing both FOP and referral services, though we use 'FOP' and 'sites' interchangeably in the main text for brevity.
[849] We analysed a sample of 2,187 LVG sites and 151 independent sites. At many sites, a small number of prescriptions were issued at discounted prices on a charitable basis, creating multiple price observations at each site. To improve comparability across sites, we calculated a single average prescription fee for each site, weighted by the quantity of prescriptions sold at each price at a given site. From this, we calculated interquartile ranges and overall averages, weighted by the number of prescriptions sold at each site, for LVGs and independents, displayed in Table 11.2. The dataset includes a very small number of sites with a positive prescription price but zero quantity sold. This has been treated as a £0 average fee in the analysis given no fee was charged to customers. To limit the potential bias caused by the dataset having disproportionately few independent sites relative to LVG sites, when estimating figures for 'all sites', we extrapolated the existing independent site observations such that the final sample contained 59% LVG sites and 41% independent sites. This is approximately equal to the proportions we observe in the market.
[850] We set out further analysis on the variation in prescriptions fees in part B, section 6: Prescription price control.
[851] SPVS Fees Survey p.6 2023 (accessible to full members only).

with no overall differences found in the fees charged by LVG and independent FOPs.[852]

11.164 The variance in administration, dispensing, and written prescription fees faced by pet owners may be a result of pricing decisions made locally by FOPs (other than those owned by [✂]). The range in fees indicates that, where fees are particularly high, they are not sufficiently constrained by competition between FOPs. Such an explanation is supported by our provisional assessment in part A, section 8,[853] which sets out evidence on weak price competition between FOPs due to a restricted consumer response.

11.165 The variance in fees may reflect differences in the commercial decisions and activities covered by administration, dispensing, and prescription fees as well as other fees paid by pet owners (such as consultation fees) at different FOPs.[854] We understand (based on what vets and veterinary businesses have told us) that:

(a) Administration and injection fees appear to relate to the same basic activities (such as calculating and correctly drawing the dose, preparing and administering the medicine to a pet, and checking whether the medication is appropriate for the pet under care), but these fees may be more common for clinical procedures or hospitalised pets.

(b) Dispensing fees appear to relate to some of the activities included in administration fees, such as locating the medicine within the FOP and checking expiry dates, as well as covering activities involved in preparing the medicine being dispensed at the FOP (such as dosage and administration instructions, printing a label and packaging for the medicine, and measuring the volume of medication needed for the course of treatment) as well as the costs of operating a dispensary at the FOP.

(c) Prescription fees appear to relate to some of the activities included in administration, injection, and dispensing fees (such as dosage and administration instructions). The key differences are that the medication does not have to be located, labelled and/or administered within the FOP (which saves the vet time) as well as the provision of a written prescription (which requires time for the vet to complete) to the pet owner for medication to be purchased from a third-party retailer.

(d) The activities covered by dispensing and prescription fees by some vets and veterinary businesses may be included as part of the consultation by others. For example, explaining how to administer the prescribed medication to the

[852] Qualitative research with veterinary professionals, p29.
[853] Part A, section 8: Competition between FOPs
[854] For example: LVG responses to RFI17 [✂].

pet owner and the potential side effects of the medication could be part of the dispensing and prescription fees or the consultation fee.

11.166 Dispensing and prescription fees may also cover the cost of anticipated follow-on activities that are not separately charged for, including, for example, answering queries from pet owners or third-party retailers (such as requests to change the prescribed medicine to a different brand), responding to side-effects experienced by a pet, and on-going responsibility for the use of medication to treat the pet under care.[855] These activities are typically carried out by a vet after the initial consultation with the pet owner and do not necessarily require a pet owner to return to their FOP for another consultation with a vet.

There are many online pharmacies that pet owners can choose from when looking to purchase prescribed veterinary medicines

11.167 Online pharmacies dispense and deliver veterinary medicines to pet owners, including those that require a written prescription to be provided by a vet (POM-Vs) and those that can be purchased without a written prescription. Where a written prescription is required, pet owners can provide a copy of the prescription by uploading this through the online pharmacy's website or have their vet send this to the online pharmacy directly via e-mail.

11.168 There is a wide range of online pharmacies that supply veterinary medicines, although not all offer veterinary medicines that require a written prescription (POM-Vs).[856] Online retailers of veterinary medicines registered with the VMD include pharmacies registered with the General Pharmaceutical Council, registered veterinary practice premises, and retailers operated by SQPs.[857]

11.169 Three online pharmacies in the UK are owned and operated by LVGs: CVS is in the same group as Animed Direct, IVC is in the same group as Pet Drugs Online (**PDOL**), and VetPartners is in the same group as VetUK.[858] There are several other online pharmacies that offer POM-Vs in the UK which are not part of groups that own FOPs.[859]

Competition between FOPs and third-party retailers

11.170 We set out the evidence and analysis available to us on competition between FOPs and third-party retailers in the supply of veterinary medicines to pet owners in this subsection.

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[855] LVG responses to RFI17 [✂].
[856] Accredited internet retailer scheme (Accessed on 10 September 2025).
[857] VMD: Register of Online Retailers (accessed 30 July 2025)
[858] Online pharmacy RFI responses [✂]. We have also seen evidence that another LVG [✂] has considered launching or purchasing an online pharmacy, in part as a response to the ownership of online pharmacies by other LVGs ([✂]).
[859] For example: Online Pharmacy RFI responses [✂]; and [✂].

11.171 This evidence and analysis supports our provisional assessment that many pet owners are paying more than they need to for veterinary medicines because of a restricted response to the competitive offering of third-party retailers. This restricted response leads to weaker competition between FOPs and third-party retailers than we would expect in a well-functioning market.

Indicators of competition between FOPs and third-party retailers

11.172 We start by looking at the indicators of competition, including the retail prices for medicines set by FOPs and online pharmacies, the profitability of medicine sales to FOPs, and the use of FOPs and third-party retailers by pet owners.

Prices for veterinary medicines at FOPs and online pharmacies

There are substantial differences between the prices of veterinary medicines at FOPs and online pharmacies

11.173 We have assessed differences in the prices for veterinary medicines at the two main retail channels available to pet owners – FOPs and online pharmacies.

11.174 Analysing prices for the same medicine across these two retail channels gives an indication of the potential savings (before including the fees charged by FOPs for dispensing medication or for the provision of a written prescription) available to pet owners when deciding whether to purchase medication from their FOP or an online pharmacy.

11.175 Our analysis uses data obtained from LVGs that own and operate online pharmacies – CVS (Animed), IVC (PDOL), and Vet Partners (VetUK). We have used this data to estimate the percentage difference in the average price of a sample of top selling veterinary medicines, showing how much lower the online pharmacy prices are compared to those at FOPs owned by the same LVG.[860] The results of our analysis are shown in Table 11.3.

[860] The methodology used for this analysis is set out in more detail in Appendix I: Supporting evidence on veterinary medicines.

Table 11.3: Percentage price difference between FOPs and online pharmacies for a sample of top selling veterinary medicines (2024)

	[✂]	*[✂]*	*[✂]*
Average percentage price difference	[50-60%] [✂]	[50-60%] [✂]	[50-60%] [✂]
Range of percentage price differences	[20-30% to 70-80%] [✂]	[30-40% to 70-80%] [✂]	[0-10% to 90-100%] [✂]
Number of product matches included in our sample	[40-50] [✂]	[40-50] [✂]	[40-50] [✂]
FOP medicine revenues represented by our sample	[30-40%] [✂]	[30-40%] [✂]	[30-40%] [✂]

Source: CMA analysis of RFI responses from [✂], [✂], and [✂].

11.176 Table 11.3 shows that pet owners can potentially make substantial savings by purchasing medication prescribed by a vet from an online pharmacy rather than their FOP. While there is a wide range in the percentage price differences, our analysis shows that pet owners can on average save between 50% and 60% on the price of a veterinary medicine when purchasing from an online pharmacy.

11.177 The sample of medicines included in our analysis represent a significant proportion (more than 30%) of revenues at FOPs owned by CVS, IVC, and VetPartners. This suggests that many pet owners are purchasing medicine from these LVG-owned FOPs that could be substantially cheaper at an online pharmacy owned by the same LVG.

11.178 Our analysis of percentage price differences is consistent with other evidence we have obtained as part of our investigation.[861] We also note that PDOL (owned and operated by IVC) promotes its 'Unbeatable Affordability' on its website, stating that it is 'committed to offering pet meds online at up to 76% cheaper than vets charge'.[862]

11.179 We would expect to find broadly similar percentage price differences between other FOPs and other online pharmacies. Online pharmacies we asked to explain their pricing strategy told us they benchmarked their prices against those available at their competitors, monitored their competitors' prices to remain competitive, and/or updated their prices in response to market changes.[863,864,865] Given that we have not seen consistent evidence that the level of retail prices for veterinary medicines at the LVGs included in our analysis differs significantly from other LVG-owned or independent FOPs, this suggests that percentage price differences between other FOPs and other online pharmacies would be comparable to those

[861] For example: LVG [✂] Internal Document, [✂]; and LVG internal document [✂].
[862] PDOLs website, Pet Prescriptions & Vet Meds | Cheaper at Pet Drugs Online (Accessed 01/06/2025)
[863] For example: LVG RFI responses [✂]; and online pharmacy RFI responses [✂].
[864] [✂] told us the viability of the overall business, and the competitive landscape were factors also considered when setting prices. LVG [✂] response to putback, September 2025.
[865] An LVG [✂] told us it set prices in relation to supplier list prices. LVG [✂] response to putback, September 2025.

found in our analysis of data obtained from LVGs that own and operate online pharmacies.

These price differences can lead to significant financial savings for pet owners when purchasing from online pharmacies

11.180 The overall financial savings ultimately available to pet owners will depend on a range of clinical factors that vets will consider when prescribing medication, the length of treatment recommended (and therefore volume of medication prescribed) by the vet, and the level of fees charged by FOPs for dispensing medication or for the provision of a written prescription. The inclusion of these fees can significantly change the overall saving achieved by pet owners and means that these may be different from the percentage price differences shown in Table 11.3.

11.181 We have considered a selection of case study medicines to understand the potential absolute price difference between FOPs and online pharmacies. These case studies estimate the annual savings available to pet owners when purchasing medication from an online pharmacy rather than a FOP based on a typical volume of medication prescribed by vets and when considering the level of fees charged by FOPs for dispensing medication or for the provision of a written prescription.

11.182 Our analysis shows that pet owners could save [£200-300] [✂] on average each year when purchasing commonly prescribed veterinary medicines from an online pharmacy rather than a FOP.[866] The range of financial savings available to pet owners when purchasing our case study medicines is shown in Table 11.4.

Table 11.4: Range of overall financial savings available to pet owners when purchasing commonly prescribed veterinary medicines from an online pharmacy rather than a FOP

	[✂]	*[✂]*	*Overall*
Average financial savings	[✂]	[✂]	[£200-300] [✂]
Median financial savings	[✂]	[✂]	[£100-200] [✂]
Lower quartile of financial savings	[✂]	[✂]	[£50-100] [✂]
Upper quartile of financial savings	[✂]	[✂]	[£300-400] [✂]
Number of case study products	[✂]	[✂]	[60-70] [✂]

Source: CMA analysis of RFI responses from [✂] and [✂], dated [✂] and [✂].

11.183 Some examples of commonly prescribed medicines included in our case study analysis are:

(a) **Apoquel 16mg for allergic dermatitis.** A pet owner whose pet requires one Apoquel 16mg tablet daily throughout the year would save [£500-600] [✂]

[866] The methodology used for this analysis is set out in more detail in Appendix I: Supporting evidence on veterinary medicines.

per year by purchasing the medication from the online pharmacy operated by one LVG [✂] rather than through its FOPs.

(b) **Vetmedin 5mg for heart failure.** A pet owner whose pet requires two Vetmedin tablets daily throughout the year would save between [£700-800] [✂] and [£1000-1100] [✂] per year by purchasing the medication from an online pharmacy operated by [✂] and [✂], respectively, rather than through their FOPs.

(c) **Bravecto 1000mg as a preventative parasiticide.** A pet owner whose pet requires one 1000mg Bravecto tablet every three months throughout the year would save [£50-100] [✂] per year by purchasing the medication from the online pharmacy operated by one LVG [✂] rather than through its FOPs.

11.184 While there is a wide range in the overall financial savings across our case study products, there are generally substantial savings available to pet owners (including fees charged by FOPs for dispensing medication or for the provision of a written prescription) by purchasing commonly prescribed veterinary medicines from an online pharmacy rather than from their FOP.

There are important reasons why there are differences in the prices at FOPs and online pharmacies

11.185 Submissions from stakeholders have suggested that the comparison of retail prices at FOPs and online pharmacies is misleading.

11.186 Some LVGs (IVC, Medivet, VetPartners, Pets at Home) noted that differences in the competitive offering of FOPs and online pharmacies that are valued by pet owners (such as the convenience of purchasing medication from a FOP or the support given by vets when dispensing medication to a pet owner) may explain the difference in price.[867]

11.187 All LVGs considered the differences in costs between 'bricks and mortar' FOPs and online pharmacies may explain the observed differences in prices for veterinary medicines.[868] These costs include the storage and wastage costs, transport costs, staffing costs needed to provide medication to pet owners, costs of complying with regulations on reporting 'adverse events', standard brick-and-

[867] Medivet response to the February 2025 working papers, 21 March 2025, paragraph 6.34; IVC response to the February 2025 working papers, March 2025, slide 67; VetPartners' response to the 'Competition in the supply of veterinary medicines' working paper, 21 March 2025, paragraph 4.9-4.12; and Pets at Home response to the February 2025 working papers, 21 March 2025, p5.
[868] IVC response to the February 2025 working papers, March 2025, slide 67; Linnaeus response to the February 2025 working papers, 21 March 2025, paragraph 6.17; CVS response to the February 2025 working papers, 21 March 2025, section 6.2; Medivet response to the February 2025 working papers, 21 March 2025, paragraph 6.45; VetPartners' response to the 'Competition in the supply of veterinary medicines' working paper, 21 March 2025, paragraph 6.3; and Pets at Home response to the February 2025 working papers, 21 March 2025, paragraph 2.7.

mortar overhead costs, and investments in training and systems to improve record keeping.

11.188 We agree that some online pharmacies can supply veterinary medicines to pet owners at a lower incremental cost than FOPs. Online pharmacies may have significant economies of scale including lower staffing, storage, and wastage costs than FOPs, as well as the ability to spread those costs over a greater volume of sales. Online pharmacies may also be able to avoid some other costs which may contribute to the higher price of veterinary medicines faced by pet owners when purchasing from a FOP.

11.189 However, online pharmacies will incur some costs for activities that FOPs cover with other fees rather than include in the price of the medication or which FOPs may not incur at all. These may include locating the medicine to be dispensed and checking expiry dates, printing a label and packaging for the medicine, measuring the volume of medication needed for the course of treatment, and the costs of follow-on activities (including checking details of the written prescription with the prescribing vet).

11.190 This said, we recognise that the preferences of pet owners, some of whom are prepared to pay a price for additional convenience, and differences in the costs faced by FOPs and online pharmacies may explain at least some of the price differences we observe in our analysis.

11.191 However, the scale of some of these price differences and the substantial financial savings available to pet owners when purchasing medication from an online pharmacy rather than a FOP would be unlikely to be sustainable if competition between FOPs and online pharmacies was working effectively. For example, if most pet owners were aware that they could save [£200-300] [✂] on average a year by purchasing commonly prescribed veterinary medicines from online pharmacies, we would expect that this would lead to significantly fewer sales of such medication at a FOP, even considering that some pet owners may have a preference to purchase the medicine at a FOP. Such a response by pet owners may cause a FOP to reassess and reduce its prices to better compete with online pharmacies, although still potentially charging a premium for added convenience

Profitability of veterinary medicine sales to FOPs

Veterinary medicines are sold at several times their purchase costs by FOPs

11.192 The difference between the retail prices for veterinary medicines at FOPs and their purchase cost (which can be viewed as the mark-up on ‘net net’ prices) can give an indication of the profitability of medicine sales.

11.193 We consider this analysis to be a useful indicator of the profitability of medicine sales at FOPs but is subject to limitations, for example as it excludes other important costs associated with the supply of veterinary medicines and due to limitations in the evidence we rely on for our analysis.[869] The mark-up estimates we provide are therefore broad measures that suggest the order of magnitude of the difference between retail prices and purchase costs for medicines at FOPs.

11.194 Evidence we have obtained shows that retail prices for veterinary medicines at LVG-owned and independent FOPs are typically well above the manufacturer list prices.

(a) Retail prices at LVG-owned FOPs have an average mark-up of between [50-60%] [✂] ([✂]) and [90-100%] [✂] ([✂]) on manufacturer list prices, although the mark-up may differ depending on the type of medication (for example, injectable medicines or preventative treatments).[870]

(b) Independent FOPs set retail prices equivalent to applying an average mark-up on manufacturer list prices of between 50% and 60%, with this mark-up also varying depending on the type of medication.[871]

11.195 This significantly understates the extent of the mark-up because FOPs do not purchase medicines at their manufacturer list price.[872] FOPs typically obtain discounts from wholesalers and rebates from manufacturers on the list price of medicines set by manufacturers.[873] This means that the ultimate purchase cost of medicines paid by LVG-owned and independent FOPs when accounting for wholesale discounts and manufacturer rebates can be a fraction of the manufacturer list price.[874]

11.196 Our evidence and analysis show that the wholesale discounts and manufacturer rebates obtained by LVGs and independent FOPs (particularly those that are members of buying groups with Preferred Product schemes) can be significant.

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[869] For example, other incremental costs that would typically be included in gross margin estimates used by the CMA are excluded from our mark-ups. These other incremental costs could include, but are not limited to, the cost of materials, consumables, and staffing required for the sale of veterinary medicines.
[870] CMA analysis of LVG RFI responses [✂]; and [✂].
[871] CMA analysis of Independent RFI responses [✂]; and [✂].
[872] We understand that retail prices for veterinary medicines at FOPs are typically set with reference to the manufacturer list price rather than their 'net net' price. For example, one LVG [%] told us that '[p]rice increases are always applied to the list price … with retail prices set by [%] based on a percentage mark-up of the [manufacturer] list price'. LVG RFI response. This means that any increase in the manufacturer list price of a veterinary medicine is passed on to pet owners unless the percentage mark-up applied to the medicine is amended.
[873] As set out in part A, section 11: Veterinary Medicines, subsection Negotiations between suppliers and customers of veterinary medicines.
[874] For example, LVGs and members of some buying groups can on average purchase many veterinary medicines for around 50% of their manufacturer list price. This is set out in part A, section 11: Veterinary Medicines, subsection There are substantial differences in the rebates obtained from manufacturers between different LVGs and between LVGs, buying groups, and other FOPs and third-party retailers, and part A, section 11: Veterinary Medicines, subsection Further evidence on a smaller sample of medicines shows that some buying groups can obtain comparable rebates to some LVGs.

(a) Evidence from wholesalers shows that they pass on a large part of the 15% discount they obtain from manufacturers on the list price of medicines to their customers, with at least some LVGs able to obtain most of this discount.[875]

(b) Our analysis of data obtained from the nine largest manufacturers of veterinary medicines in the UK shows that LVGs on average obtain rebates of around 50% from these manufacturers, although some LVGs (such as [✂]) obtain substantially lower rebates than others.[876]

(c) The same analysis shows that independent FOPs that are (i) members of a Preferred Product scheme operated by a buying group on average obtain rebates of [40-50%] [✂]) and (ii) members of a non-Preferred Product scheme or not members of a buying group at all on average obtain rebates of [20-30%] [✂].[877]

11.197 Combining the mark-up on manufacturer list price with the wholesale discount and manufacturer rebate on manufacturer list price obtained by LVG-owned and independent FOPs shows that they are on average selling medicines that are between two and five times their purchase costs. This is equivalent to an average mark-up on 'net net' prices of between 100% and 400%.[878]

11.198 As set out above, our analysis of mark-ups on purchase costs is only indicative of the 'true' mark-up as it has some limitations. For example:

(a) The information provided by some LVGs includes only medication sold as distinct products whereas others have included medication sold as part of a bundled offering (such as vaccinations and pet plan products). This means we are unable to compare mark-ups on purchase costs for medication sold as distinct products on a like-for-like basis across LVGs.[879]

(b) Manufacturer rebates on vaccines and medicines included in pet care plans (such as flea, tick, and worming treatments) are typically higher than most medicines sold as distinct products. Including the rebates on these veterinary medicines (whether sold through pet care plans or sold as distinct products

[875] As set out in part A, section 11: Veterinary Medicines, subsection Wholesalers obtain and pass on discounts on list prices from manufacturers.
[876] As set out in part A section 11: Veterinary Medicines, subsection There are substantial differences in the rebates obtained from manufacturers between different LVGs and between LVGs, buying groups, and other FOPs and third-party retailers.
[877] As set out in part A, section 11: Veterinary Medicines, subsection There are substantial differences in the rebates obtained from manufacturers between different LVGs and between LVGs, buying groups, and other FOPs and third-party retailers.
[878] The mark-up on purchase costs is estimated as the difference between retail prices and purchase costs expressed as a percentage of purchase costs.
[879] CMA analysis of LVG RFI responses [✂]; and [✂].

by FOPs) means that our analysis overstates the mark-ups on purchase costs for medicines sold as distinct products.[880]

11.199 Despite these limitations, the results of our indicative analysis are broadly consistent with information provided by LVGs on their estimated average mark-up on the 'net net' prices of veterinary medicines sold as distinct products by their FOPs. Two LVGs ([✂], [✂]) submitted estimates of the weighted average mark-ups on veterinary medicines sold as distinct standalone products of [100-200%] [✂] and [300-400%] [✂] ([✂] and [✂], respectively]).[881,882] Another LVG ([✂]) provided data that suggested its weighted average mark-up on veterinary medicines sold as distinct standalone products was [100-200%] [✂].[883]

11.200 Submissions from some stakeholders have suggested that an analysis of mark-ups on purchase costs is misleading as it does not include other costs associated with the sale of veterinary medicines incurred by FOPs.[884] Examples of these costs are set out above.[885]

11.201 We accept that these other incremental costs may be reflected in the retail price of veterinary medicines and are not included in our mark-up analysis. This is one important reason why we consider our estimated mark-ups to be indicative of the profitability to FOPs of medicine sales rather than reflect the 'true' mark-up on incremental costs of supplying veterinary medicines at FOPs.

11.202 Some LVGs (CVS and Pets at Home) told us that they believe their retail prices for veterinary medicines reasonably reflect the costs of supplying medicines once other costs associated with the sale of veterinary medicines incurred by FOP are included.[886] CVS added it did not think weak competition in the supply of veterinary medicines was a factor driving high mark-ups on the 'net net' price of medicines, although its acknowledgement that it did not consider the likelihood of pet owners shopping around when setting its retail prices suggests that its FOPs do not face strong competitive constraints in the supply of veterinary medicines.

11.203 The working paper on Competition in the supply of veterinary medicines set out our intention to better understand the magnitude of these costs and gather information from veterinary businesses that we could include in our assessment of the profitability of medicine sales to FOPs. We were, however, unable to obtain

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[880] This understanding is based on our interpretation of evidence obtained as part of this investigation, in particular [✂].
[881] LVG RFI response [✂]; and LVG RFI response [✂].
[882] An LVG [✂] told us [100-200%] [✂] mark-up represents a gross margin of [50-60%] [✂]. LVG [✂] response to putback, September 2025.
[883] CMA analysis of LVG RFI response [✂].
[884] IVC response to the February 2025 working papers, March 2025, slide 67; Linnaeus response to the February 2025 working papers, 21 March 2025, paragraph 6.17; and CVS response to the February 2025 working papers, 21 March 2025 , paragraph 6.
[885] Part A, section 11: Veterinary Medicines, subsection There are important reasons why there are differences in the prices at FOPs and online pharmacies.
[886] CVS response to the February 2025 working papers, 21 March 2025, section 6.2; and Pets at Home response to the February 2025 working papers, 21 March 2025, p5.

robust estimates for these costs. This is because incremental costs associated with the sale of veterinary medicines are not monitored during the ordinary course of business by LVGs.[887,888,889] Some LVGs ([✂], [✂], [✂]) told us that estimating the incremental costs of supplying medicines was not practical because the staffing and overhead costs are inseparable from other veterinary services, which means that any estimates would be approximate, arbitrary, and inconsistent across the parties.[890]

11.204 We are therefore unable to verify with quantifiable evidence from multiple veterinary businesses the extent to which the costs identified in the submissions from stakeholders are able to explain the substantial mark-ups applied by FOPs on the purchase costs of veterinary medicines. Given that veterinary businesses do not monitor the costs associated with the supply of medicines in the ordinary course of business, it is unlikely that these costs are considered when setting retail prices for veterinary medicines and can wholly explain the mark-ups on 'net net' prices we have set out above. This suggests that these prices are not closely linked to the costs of supplying veterinary medicines at FOPs, as we would expect in a well-functioning market where there was effective competition between FOPs and third-party retailers.

Revenues from the sale of veterinary medicines make an important contribution to the profitability of FOPs

11.205 FOPs earn additional revenues from the supply of veterinary medicines to pet owners. In addition to the retail price of the prescribed medication, pet owners can be charged administration fees (for when a vet provides medication to a pet within a FOP) and dispensing fees (for when a FOP is supplying medication for the pet owner to take home with them).

11.206 These fees not only cover the cost of supplying veterinary medicines at FOPs but also contribute to the overall revenues earned by FOPs from the sale of medicines. We have sought to understand the level of the gross contribution from the sale of medicines at FOPs arising from all medicine related revenues for medicines that are not sold as part of a bundled offering (such as vaccinations and pet plan products).

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[887] LVG RFI responses. [✂]; and [✂]. We focused our requests for this information on LVGs instead of independent FOPs because we expected the larger firms were more likely to hold this information, and they represent a significant share of the market.
[888] One LVG [✂] provided the CMA with cost estimates for the cost of 'clinical prescribing services'. These 'clinical prescription services' incorporate what employees at FOPs must do irrespective of whether a pet owner purchases the medicine from the FOP or a third-party retailer (for example, explaining the intended use and possible side effects of the medication). Where a pet owner chooses to obtain the prescribed medication from a third-party retailer, the estimate also covers the administrative tasks required to issue a written prescription or record it on the practice management system. As these estimates reflect only the most common activities involved in the provision of veterinary medicines, they represent a lower-bound measure of 'clinical prescribing services.' LVG [✂] response to putback, September 2025
[889] [✂] told us it does monitor the net costs of medicines. LVG [✂] response to putback, September 2025.
[890] LVG comments on draft RFI. [✂]; and [✂].

11.207 Our estimates of the level of gross contribution from the sale of medicines for five of the LVGs ([✂], [✂], [✂], [✂], and [✂]) shows that medicine profits account for a large proportion of the overall level of profitability of a FOP.[891] Profits from the sale of medicines are therefore likely to recover a significant proportion of the costs of running a FOP.

11.208 The importance of medicine sales to the profitability of FOPs is reflected in internal documents we have obtained from some LVGs. These suggest the sale of medicines is a highly profitable activity for LVGs, that LVG-owned FOPs can set high retail prices when compared to online pharmacies, and that reducing price is unlikely to be profitable for these FOPs.[892]

The revenues and profits from the sale of veterinary medicines may support the provision of other veterinary services by FOPs

11.209 We have received representations from a wide range of stakeholders that revenues from the sale of veterinary medicines at FOPs allows them to keep prices lower for other veterinary services. Many stakeholders told us that the profits generated from the supply of veterinary medicines may 'cross-subsidise' other veterinary services offered by FOPs.[893] IVC told us that such a 'cross-subsidy' is a long-standing approach to price setting that is embedded in the pricing structures of both LVG-owned and independent FOPs.[894] Other stakeholders agreed that medicine revenues support the provision of a wide range of veterinary services to pet owners.[895]

11.210 A 'cross-subsidy' occurs when the price of a product is below its incremental cost of supply such that a firm will make a loss on the sale of this product and would need to recoup this loss by raising the price of other products (or by charging different prices to different groups of consumers). In our investigation, an example of a 'cross-subsidy' could be that a FOP sets consultation fees below the cost of a vet's time (which would be paid by all pet owners) with the intention of recouping loss-making consultations through the price of veterinary medicines (which would only be sold to pet owners whose pet is prescribed medication by a vet). We have not seen any probative evidence (such as internal strategy documents or management accounts) that there is any such 'cross-subsidy' between the prices for veterinary medicines and other veterinary services at FOPs.[896]

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[891] Our analysis is set out in more detail in Appendix I: Supporting evidence on veterinary medicines
[892] For example: LVG Internal Documents [✂]; and [✂].
[893] For example: IVC response to the February 2025 working papers, March 2025; slide 71 and 71A; [✂]; and CMA summary of Remedy Working Paper responses.
[894] IVC response to the February 2025 working papers, March 2025, slide 67, 71 and 71A.
[895] As set out in CMA summary of Remedies Working Paper responses.
[896] In fact, Pets at Home told us explicitly that it does not have an intentional strategy to incur losses in the provision of veterinary services at its FOPs that are recouped through profits from the sale of veterinary medicines. Pets at Home response to the February 2025 working papers, 21 March 2025, paragraph 2.8.

11.211 This lack of 'cross-subsidy' is distinct from revenues earned from the sale of medicines making a significant contribution to the common costs incurred by FOPs when providing a wider range of veterinary services to pet owners.[897] The recovery of these costs will vary across the veterinary services available at FOPs and there is no commercial rationale to expect that the price of each service will contribute proportionately to common costs. A pricing structure where veterinary medicines cover a greater share of common costs than consultation fees may also reflect the nature of the services provided by FOPs as well as stronger price competition between FOPs on consultation fees relative to the price of medicines. The use of revenues earned from the sale of medicines to make a significant contribution to the common costs incurred by FOPs appears to be what is described as a 'cross-subsidy' in the vets sector, for which there is a general awareness among many stakeholders that revenues from the sale of medicines supports the overall level of profitability of FOPs.[898]

11.212 Any profits earned in relation to the sale of veterinary medicines could, in principle, be used to cover a significant proportion of the common costs that FOPs incur when supplying veterinary medicines and other veterinary services to pet owners. However, we have provisionally found that veterinary businesses covering a substantial part of the market earned profits materially exceeding the cost of capital over a sustained period.[899] This means there are many FOPs where revenues from the sale of medicines are being used (at least in part) to support these profits rather than lower prices for other services for pet owners.

Use of FOPs and third-party retailers by pet owners

Most veterinary medicines are purchased by pet owners from FOPs

11.213 We have used data on the value of purchases by customer type [✂] to understand the supply of veterinary medicines by FOPs and online pharmacies.

11.214 [✂]. We have compared purchases across customer types [✂], which allows for a 'like for like' comparison.[900] This is because the data excludes wholesale discount and manufacturer rebates as well as differences in the retail prices set by FOPs and online pharmacies.

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[897] We use the term 'common costs' to refer to costs that arise when some activities of a business are shared across a group of products and services it provides (for example, administrative activities that support the provision of a group of products and services by the business). These common costs are not incremental to the provision of any individual product or service, nor are they directly caused by any individual product or service alone.
[898] Medivet response to the February 2025 working papers, 21 March 2025, paragraph 6.21; IVC response to the February 2025 working papers, March 2025, slides 71 and 71A; Pets at Home response to the February 2025 working papers, 21 March 2025, paragraph 2.66 and 2.67.
[899] As discussed in part A, section 7: Outcomes.
[900] Data provider RFI response [✂].

11.215 Our analysis shows that only a small proportion ([10-20%] [✂]) of POM-V products for household pets were purchased by online pharmacies in the UK in 2024. This is shown in Figure 11.2.

Figure 11.2: POM-Vs for household pets purchased by online pharmacies [✂] in the UK, 2014 – 2024

[✂]

Source: CMA analysis of [✂] data.

11.216 Figure 11.2 also shows that there has been an [✂] increase in the absolute value of POM-V purchases by online pharmacies between 2014 and 2024. [✂] suggests that there has been a significant increase in their use by pet owners in recent years. This is consistent with the views of online pharmacies ([✂], [✂]) that reported increases in the number of pet owners using their websites (as well as the online pharmacy more generally) in recent years.[901] One LVG [✂] reported an increase in pet owner switching from in-clinic to online purchases of POM-V medicines in recent years.[902] However, despite this recent growth in the use of online pharmacies, the proportion of POM-V products for household pets were purchased by online pharmacies remains small and this proportion was broadly the same in 2024 as it was in 2019 ([10-20%] [✂]).

11.217 As online pharmacies offer a different range of veterinary medicines compared with that available at FOPs, we used this data to understand the extent of this difference and whether this may explain the small proportion of purchases made by online pharmacies. Our analysis found that a significant majority [✂] of the POM-V medicines purchased by FOPs were also purchased by online pharmacies in 2024, which represented a significant majority [✂] of the value of purchases by FOPs. This suggests that differences in the range of veterinary medicines offered by FOPs and online pharmacies alone does not explain the small proportion of POM-V products that are purchased by online pharmacies in the UK.

Pet owners are far more likely to purchase medication from a FOP than obtain a written prescription from a vet

11.218 We have considered evidence on the use of the written prescription option by pet owners to understand where they are most likely to purchase medication.

11.219 Our analysis of POM-V purchases made by online pharmacies is consistent with data on the volume of written prescriptions requested by pet owners. Data obtained from LVGs and a sample of independent FOPs shows that the absolute number of written prescriptions issued by these FOPs has increased in recent

[901] Online Pharmacy RFI response [✂]; LVG RFI response [✂]; and [✂].
[902] LVG RFI response [✂].

years.[903] However, this data also shows that the number of written prescriptions remains a low proportion (less than 10%) of the instances where medication has been purchased by pet owners from these FOPs.[904]

11.220 We note that our analysis of this data could underestimate the volume of veterinary medicines purchased by pet owners from online pharmacies. This is because written prescriptions are typically for larger volumes of medication than dispensed by a FOP,[905] and on-going medication can be dispensed multiple times using the same written prescription. Nevertheless, our provisional view is that these limitations should not change the overall inference we are drawing from this data given that it is consistent with our analysis shown in Figure 11.2.

11.221 Evidence from our pet owners survey also suggests that considerably more veterinary medicines are purchased from FOPs than third-party retailers. 27% of pet owners whose pet had been prescribed medication by their vet in the past two years had requested a written prescription from their FOP at least once in the same period.[906] 81% of pet owners made their most recent purchase of medication from their FOP, with 16% of pet owners making their purchase from a 'bricks and mortar' or online pharmacy (as shown in Table 11.5 below).[907]

The use of third-party retailers by pet owners depends on the type of medication they have been prescribed by their vet

11.222 While the use of third-party retailers by pet owners may be limited overall, some veterinary medicines are more likely to be purchased from third-party retailers than others.

11.223 Our survey found that more pet owners had used an online pharmacy for on-going medication (26%) than those that had been prescribed one-off medication for their pet (7%).[908] This is shown in Table 11.5.[909]

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[903] This is consistent with the submissions of some LVGs that suggest the number of written prescriptions issued by their FOPs and sales made by their online pharmacies have increased significantly in recent years. [✂] told us that the proportion of clients receiving prescriptions for the four most common chronic medicines has steadily increased in recent years, reaching [20-30%] [✂] in July 2024. [✂]. Another LVG [✂] provided analysis that the number of written prescriptions per pet issued by their FOPs has also increased in recent years. This shows in its view that there has been a change in the purchasing behaviour of pet owners rather than an increase in written prescriptions as a result of more pets being treated at its FOPs. [✂]. See also: [✂].

[904] CMA analysis of RFI responses. [✂]; and [✂]. One LVG [✂] noted that, [✂]. The full results of this analysis can be found in: Competition in the supply of veterinary medicines, p71, Table 5.1.

[905] For example, one LVG ([✂]) told us that for Apoquel (16mg tablets) that '[n]early [70-80%] [✂] of prescription events were for over 40 tablets compared to approximately [20-30%] [✂] for in-clinic dispense events' and '[a]pproximately [20-30%] [✂] of prescription events were for 100+ tablets compared to less than [5-10%] [✂] for in-clinic dispense events'. [✂].

[906] Pet owners survey, Q42 based on respondents who had said 'yes' to Q90b.

[907] Pet owners survey, created through combining the respondents for Q95 and Q96.

[908] Although the pet owners survey indicates that some pet owners do purchase some medication for animals from 'bricks and mortar' pharmacies, we have not seen evidence to suggest that this is a material sales channel for veterinary medicines. Pet owners survey, Q95 and Q96.

[909] Of the pet owners that responded to our survey, 65% said that their pet was prescribed a medication in the last two years (Pet owners survey, Q90b). Of this group, 60% said they received a one-off prescription while 39% said they have

Table 11.5: Where pet owners purchased medication

	One-off medication	*On-going medication*	*All medication*
Directly from my vet practice	88%	71%	81%
From another vet practice	2%	0%	1%
In person from a retailer or pharmacy	2%	2%	2%
Online from a retailer or pharmacy	7%	26%	14%
Don`t remember	2%	1%	1%

Source: Pet owners survey, Q95 and Q96 combined.

11.224 Table 11.5 reflects our understanding of the current nature of competition between FOPs and third-party retailers. Purchasing medication directly from a FOP (where this is needed quickly to treat an acute condition or is a one-off treatment) is a valued service offered by FOPs to pet owners. On-going medication that treats a chronic condition or is a preventative treatment may be more suitable than one-off medication to be purchased from third-party retailers.[910]

11.225 The use of third-party retailers by pet owners whose pet has been prescribed on-going medication also differs by the payment frequency of their repeat prescriptions.[911] Pet owners whose pets are prescribed on-going medication with purchases repeated every six or twelve months are more likely to have made their most recent purchase of medication from an online pharmacy (54%) than their FOP (43%). In contrast, pet owners who purchased on-going medication on a monthly or three-monthly basis are far more likely to have made their most recent purchase of medication from their FOP (86% and 64%, respectively) than an online pharmacy (12% and 34%, respectively).[912]

11.226 Our analysis of data obtained from [✂] is consistent with evidence from our survey that pet owners are more likely to use an online pharmacy to purchase on-going medication than one-off medication.[913] Most veterinary medicines supplied by online pharmacies in 2024 was medication that is typically (but not wholly) prescribed by vets to treat chronic conditions that require on-going medication or are preventative treatments. This includes POM-Vs to treat dermatological conditions ([✂]), ectoparasiticides ([✂]), medication for cardiac and respiratory

repeat prescriptions (Pet owners survey, Q92). Of respondents with on-going medications, the most typical paying frequencies were: monthly (38%), every 3 months (26%), and every 6 months (17%) (Pet owners survey, Q93).

[910] Consistent with this, one LVG [✂] told us that it has observed decreasing sales of medication for chronic conditions at its FOPs. [✂]. Another LVG [✂] said [20-30%] [✂] of the transactions for its four most common chronic medicines ([✂]) are now being given as a prescription to purchase elsewhere (up from [20-30%] [✂] two years ago). [✂].

[911] Pet owners survey, Q93 and Q96. Other frequencies of repeat prescriptions are not shown due to the low sample size.

[912] It is not clear from our survey to what extent the purchase frequency of repeat prescriptions correlates with the length of treatment a vet has recommended. For example, it could be the case that pet owners who pay for their repeat prescription each month are also having consultations with their vet every month to monitor the effect of the medication. It could also be the case that pet owners whose pet has been prescribed medication to treat a longer-term health condition that only requires a consultation with a vet every six or twelve months are choosing to purchase (or are only being dispensed with) a smaller amount of medication every month.

[913] As set out in more detail in Appendix I: Supporting evidence on veterinary medicines.

symptoms ([✂]]), hormone and enzyme treatments ([✂]), and oral non-steroidal anti-inflammatory drugs ([✂]).

11.227 In addition, our analysis of data obtained from [✂] also shows that most of the medication supplied by online pharmacies in 2024 was to be administered orally ([✂]) as compared to medication that is injected or takes other administrative forms ([✂] and [✂], respectively).[914] This suggests that vets and pet owners may consider the way in which the prescribed medication is to be administered to a pet when deciding whether it would be appropriate to purchase from a third-party retailer. This would include where a veterinary medicine is provided as part of a wider service provided by a vet at the FOP (such as a health check combined with a vaccination).

Reasons that limit pet owners' engagement with the competitive offering of third-party retailers

11.228 We now turn to the available evidence on the reasons that may explain why many pet owners are paying more than they need to for veterinary medicines. This includes the reasons why we observe many pet owners to have a restricted response to the competitive offering of third-party retailers. Such a restricted response means that pet owners are not able to stimulate the rivalry between FOPs and third-party retailers in the supply of veterinary medicines.

11.229 We have focused on the reasons which impact the engagement of pet owners with the competitive offerings of online pharmacies. Although it may be possible to purchase some medication for animals from 'bricks and mortar' pharmacies, we have not seen evidence to suggest that this is a material sales channel for veterinary medicines. However, as many of the factors we have identified apply to the ability of pet owners to engage with the competitive offering of all third-party retailers, we do not exclude 'bricks and mortar' pharmacies from our assessment.

At least some pet owners may prefer to purchase medication from their FOP as they consider this to be the most convenient option for them

11.230 Our survey shows that it may be convenient for pet owners to purchase veterinary medicines directly from their FOP or might be the only practical option when their pet needs the medicine quickly. When pet owners whose pet had been prescribed medication by their vet in the past two years were asked to select the reasons why they decided to buy medication from their FOP: 50% said it was the most convenient option for them; and 31% said they bought medication from their FOP as they needed to purchase the medication quickly.[915]

[914] As set out in more detail in Appendix I: Supporting evidence on veterinary medicines.
[915] Pet owners survey, Q99.

11.231 These reasons did not materially differ between pet owners that (i) were and were not aware of their ability to request a written prescription from their FOP and (ii) had and had not compared prices for veterinary medicines.[916] This suggests that even pet owners who know about the option of purchasing from third-party retailers and know the level of potential savings available to them when purchasing medication from a third-party retailer may consider purchasing certain veterinary medicines directly from their FOP to be the most convenient option for them in at least some instances.

11.232 We agree with the stakeholders that told us the convenience offered by FOPs relative to that of online pharmacies could explain pet owners' apparent willingness to pay higher prices for medicines in FOPs.[917] All else equal, we would expect consumers to value the benefit of purchasing products when it is most convenient to them, which may enable firms to set higher prices that reflect this preference.

11.233 However, the extent to which it is convenient for pet owners to purchase veterinary medicines from their FOP does not apply equally to all types of medication.[918] The purchase of medication directly from a FOP where this is needed quickly to treat an acute condition or is a one-off treatment is a valued service offered by FOPs to pet owners. The benefits of this convenience may be particularly important where a pet owner has brought their pet to a FOP to diagnose and treat an urgent health condition their pet is experiencing. This may be an important reason why 88% of pet owners purchased one-off medication from their FOP.[919]

11.234 In contrast, the ability to make substantial savings on on-going medication that treats a chronic condition or is a preventative treatment is an important aspect of the competitive offering of online pharmacies. Once a pet owner has set up an account with an online pharmacy and arranged with the FOP for repeat prescriptions, any additional burden of purchasing from an online pharmacy is much reduced. These savings could be greater than the value of convenience to pet owners of purchasing medication directly from a FOP. This may be an important reason why more pet owners had used an online pharmacy for on-going medication (26%) than those that had been prescribed one-off medication for their pet (7%).[920]

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[916] Pet owners survey, Q99 by responses to Q91 and Q98.
[917] For example: Medivet response to the February 2025 working papers, 21 March 2025, paragraph 6.34 – 6.41; Linnaeus February 2025 working papers response, paragraph 6.19; IVC response to the February 2025 working papers, March 2025, p.67; Pets at Home response to the February 2025 working papers, 21 March 2025, paragraph 2.35 – 2.38; VetPartners' response to the 'Competition in the supply of veterinary medicines' working paper, 21 March 2025, paragraph 2.3; Independent vet [✂] response to February 2025 working papers, 27 February 2025.
[918] This is consistent with the views of some stakeholders. CVS response to the February 2025 working papers, 21 March 2025 p.21; LVG RFI response [✂].
[919] Pet owners survey, Q95.
[920] Pet owners survey, Q95 and Q96.

Some pet owners choose to obtain certain medicines in FOP because these are already included in their pet care plan subscriptions

11.235 Pet care plans are a monthly or annual subscription that covers a package of routine veterinary services and medications offered by FOPs, such as vaccinations and parasiticides.[921] Some pet care plans also offer discounts on selected prescribed medications.[922] A significant proportion of pet owners have pet care plan subscriptions, with LVGs reporting take up rates from [20-30%] [✂] to [40-50%] [✂].

11.236 It would not be cost-effective for a pet owner who has subscribed to a pet care plan to purchase medicines that are included in their plan from a third-party retailer. This is because the pet owner would incur additional costs for both the written prescription and the medication, when the cost of this medicine is already included in full through their pet care plan subscription.

11.237 Our analysis of data obtained from [✂] shows that pet owners are far more likely to purchase POM-V parasiticides from their FOP than from an online pharmacy. Only a very small proportion of ectoparasitic and wormer POM-V products for household pets were purchased by online pharmacies in 2024 ([✂] and [✂], respectively). We consider that the low rate of online purchases for these medicines may be due to is their inclusion in pet care plan subscriptions.

11.238 Our analysis of the value of pet care plans shows that, while pet care plans can offer savings compared to buying treatments individually from FOPs, these savings are significantly reduced when compared to the lower prices for parasiticides available from online pharmacies.[923] The 'average' pet owner is unlikely to make financial savings through a pet care plan when considering the typical usage rates of these subscriptions and the prices for parasiticides at online pharmacies.[924]

Inefficiencies in the written prescription process may partially explain why it is more convenient for some pet owners to purchase medication from a FOP

11.239 The process used to provide written prescriptions is less efficient than we would expect in a well-functioning market, particularly in comparison to the processes used to dispense medication within a FOP. Investing in more efficient and effective written prescription processes could make written prescriptions and the use of online pharmacies a more attractive option to pet owners, including lower fees for written prescriptions than we currently observe. Such investments may, however,

[921] As outlined in part A section 9: Pet Care Plans.
[922] As outlined in part A, section 9: Pet Care Plans. For example, CVS and IVC both have plans offering 20% discount off long-term medication.
[923] As outlined in part A, section 9: Pet Care Plans.
[924] Our analysis in part A section 9: Pet Care Plans did not consider the value of discounted long-term medications.

reduce the medicines sales of FOP and weakens the commercial incentives of FOPs to invest in efficient and effective written prescriptions processes.

11.240 Most LVGs ([✂], [✂], [✂], [✂], [✂]) told us they have made material investments to improve the prescribing and dispensing process by upgrading elements of their practice management systems. These investments largely aimed to streamline and standardise processes to improve efficiency and consistency in the provision of POM-Vs.[925,] Some of these LVGs ([✂], [✂]) had made specific improvements to the processes used to provide repeat written prescriptions.[926] One LVG ([✂]) told us that other than updating its standardised prescription template form in line with legislative requirements it had made no material investments in this process at the group level in the past five years.[927]

11.241 Evidence from online pharmacies indicated that issues with written prescriptions hampered their ability to dispense medication to pet owners efficiently. One online pharmacy ([✂]) told us that approximately 20-30% of its incoming written prescriptions in Q1 2025 required it to follow up with the prescribing vet for clarification, typically leading to one- or two-days delay in dispensing the medication.[928] Another online pharmacy ([✂]) said that contacting the prescribing vet due to technical error in the written prescription is very common.[929]

11.242 The strict regulation of written prescriptions may contribute to these issues. One online pharmacy ([✂]) told us that the burden of ensuring written prescriptions complied with the VMRs (including follow-up with FOPs) led to delays for pet owners in obtaining the medication from them.[930] Another online pharmacy ([✂]) suggested recent changes to the VMRs (in 2024) were not always complied with by prescribing vets and that this is likely responsible for the increase in issues with written prescriptions it has observed.[931]

11.243 More broadly, some online pharmacies noted the issues above in the context of wider inefficiencies in the written prescription process, for example paper-based systems, lack of uniformity among written prescriptions, and no uniform process for determining whether a written prescription has been received by a pharmacy.[932] We note that VMD guidance encourages pharmacists to contact the prescribing vet should they have concerns about a written prescription as the vet remains clinically responsible for the animal and its treatment.[933]

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[925] LVG RFI17 responses [✂]; and [✂].
[926] LVG RFI17 responses [✂] and [✂].
[927] LVG RFI response [✂]. This LVG [✂] told us each of its FOPs maintain autonomy to manage investment in their prescription processes.
[928] Online pharmacy RFI response [✂].
[929] Note of a call with an online pharmacy [✂].
[930] Online pharmacy RFI response [✂].
[931] Online pharmacy RFI response [✂].
[932] For example: Online pharmacy RFI response [✂]; and [✂].
[933] Veterinary Medicines Directorate, 1 June 2025, VMD Guidance: Retail of veterinary medicines (accessed on 19 May 2025).

Pet owners strongly rely on veterinary professionals' expertise in the provision of prescribed veterinary medicines

11.244 Here we set out evidence on the role of vets in the supply of veterinary medicines that may make it difficult for all pet owners to engage with the competitive offering of third-party retailers. This is in addition to the evidence in part A, section 4 and part A, section 10 on how pet owners are strongly reliant on veterinary professionals' expertise in the provision of clinical care to animals.[934]

The dual role of vets as both a prescriber and retailer of veterinary medicines may mean pet owners are less likely to purchase medication from third-party retailers

11.245 One aspect of the reliance of pet owners on the expertise of veterinary professionals is in their role as the prescriber of veterinary medicines. In addition to their clinical advice vets perform a commercial function – selling medicine. This is a commercial transaction where the pet owner may have alternative choices and be less reliant on the vet's clinical judgement.

11.246 The dual role of vets as both a prescriber and commercial retailer of veterinary medicines may make it more difficult for pet owners to engage with the competitive offering of third-party retailers. Vets and veterinary businesses have the ability to control the information the pet owner receives (including about any alternative options of where to purchase prescribed veterinary medicines) at an important decision-making point. There is a point-of-sale advantage for the FOP which has an understandable commercial incentive to make profits from the sale of medicines.

11.247 This is not to suggest that all vets and veterinary businesses act only on their commercial incentives. Our qualitative research with veterinary professionals shows that many vets do support pet owners to choose the best option for them when purchasing medication that has been prescribed to treat their pet.

(a) The financial situation of the pet owner was also considered by vets, with their recommendations based on their understanding of what the pet owner could afford or was willing to pay.[935] In particular, most vets told us that they discuss the option of written prescriptions for pet owners to purchase on-going medication online where it might be cheaper for them.[936]

(b) While vets did not tend to proactively offer prescriptions for one-off medication, this is because many believed that it could be more expensive

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[934] Part A, section 4: Factors that affect competition, and part A, section 10: Choice of treatments and referrals.
[935] Qualitative research with veterinary professionals, p. 33.
[936] Qualitative research with veterinary professionals, p.31. This is consistent with the internal research of one LVG ([✂]) that showed vets commonly discuss the use of third-party retailers with pet owners, especially in relation to repeat medicines. [✂].

for pet owners to pay for the prescription fee as well as to pay the medication price charged by online pharmacies on a one-off basis.[937]

11.248 Nevertheless, the nature of this relationship between vets and pet owners reduces the propensity of some pet owners to consider purchasing medicines from a third-party retailer even when it is appropriate and advantageous to do so. Pet owners rightly see the vet as a trusted professional adviser notwithstanding that the commercial part of their interaction is not reliant on the vet's professional expertise.

11.249 Evidence from our pet owners survey and qualitative research with veterinary professionals shows the consequences that are more likely to flow where vets and veterinary businesses have this dual role, which is consistent with veterinary businesses having limited commercial incentives to give pet owners information about the option to use third-party retailers and the potential savings from doing so. For example:

(a) 32% of pet owners who bought a prescribed veterinary medicine directly from their FOP said that they did so because their vet did not offer any alternative.[938]

(b) 26% of pet owners who bought a prescribed veterinary medicine directly from their FOP did so because they did not know how to order veterinary medicines from anywhere else, which could include asking their vet for information on how to obtain a written prescription.[939]

(c) 14% of pet owners who bought a prescribed veterinary medicine directly from their FOP did not want to tell their vet that they would purchase medication elsewhere, suggesting that these pet owners were concerned with how their vet may respond to a request for a written prescription.[940]

(d) While most vets included in our qualitative research reported proactively providing the option of a written prescription for on-going medication, some said it was not something they did as a matter of course unless a pet owner directly asked for one or raised concerns about the prices of medicines.[941]

(e) Some vets included in our qualitative research mentioned that they had been told by their practice manager or senior staff not to offer written prescriptions unless asked to do so by the pet owner.[942]

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[937] Qualitative research with veterinary professionals, p. 30
[938] Pet owners survey, Q99.
[939] Pet owners survey, Q99.
[940] Pet owners survey, Q99.
[941] Qualitative research with veterinary professionals, p. 34 and 36, paragraphs 8.2.2 and 8.2.4.
[942] Qualitative research with veterinary professionals, p.36, paragraph 8.2.4.

Pet owners may not be able to effectively assess the quality of medicine sold by third-party retailers without the support of their vet

11.250 The very nature of veterinary medicines could mean that veterinary medicines which are administered and/or dispensed by a vet may appear to pet owners to be of a higher quality (or the quality of this medication can be assured by a vet) than those available from online pharmacies even where the medication is identical. This may lead to pet owners purchasing medication from a FOP rather than third-party retailers even when they are aware of their ability to do so,[943] particularly where pet owners may be nervous about making a mistake in obtaining medicine for their pet where this decision comes in a vulnerable or emotional context.

11.251 This is consistent with evidence from our pet owners survey. 36% of pet owners who bought a prescribed veterinary medicine directly from their FOP said that they did this as they trusted that the medication from their vet was the 'most reliable' or the 'best quality'.[944] 23% of pet owners who bought a prescribed veterinary medicine directly from their FOP said that they did this because they felt most comfortable administering medicine bought from their own vet practice.[945]

11.252 This difference in the quality of veterinary medicines sold by FOPs and third-party retailers is perceived rather than genuine. Both FOPs and online retailers must purchase the veterinary medicines they offer to pet owners from businesses holding a Wholesale Dealer's Authorisation. Businesses must demonstrate that that they are compliant with the VMRs before the VMD will authorise them to obtain a Wholesale Dealer's Authorisation.[946] This means that the quality of a specific medication that has been prescribed by a vet will be the same at a pet owner's FOP and an online retailer so long as both are compliant with the VMRs and only purchase veterinary medicines from businesses that hold a Wholesale Dealer's Authorisation.

11.253 In addition, the VMD operates a voluntary accredited internet retailer scheme to 'facilitate self-regulation by UK based internet retailers and compliance with the [VMRs]' and provides a list of 'accredited websites that sell authorised veterinary medicines' that pet owners could use when searching for third-party retailers of medication their pet has been prescribed.[947] Many online pharmacies inform pet owners they are a member of this VMD scheme on their website, either on the homepage or on webpages providing information on specific veterinary medicines, although this information is not always prominently displayed (for example, it is at

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[943] Consistent with this, some stakeholders (Linnaeus, Medivet, VetPartners) acknowledged that pet owners may have more confidence in the quality of medication provided by a FOP than a third-party retailer. Linnaeus response to the February 2025 working papers, 21 March 2025, paragraph 6.19; Medivet response to the February 2025 working papers, 21 March 2025, paragraph 6.41; and VetPartners' response to the 'Competition in the supply of veterinary medicines' working paper, 21 March 2025, paragraph 5.9.
[944] Pet owners survey, Q99.
[945] Pet owners survey, Q99.
[946] As set out in part A, section 11: Veterinary Medicines, subsection Nature of competition.
[947] Veterinary Medicines Directorate, Accredited internet retailer scheme (accessed on 23 May 2025).

the bottom of the homepage or the VMD logo is small compared to other images on a webpage).[948] The significant proportion of pet owners who indicated that confidence in the quality of medicines was a reason to purchase medication from their FOP suggests that pet owners may not be aware of this VMD scheme.

Some pet owners may rely on their vet to administer some forms of veterinary medicines to their pet within a FOP rather than do this themselves

11.254 Pet owners may understandably be reluctant to administer some forms of medication to their pet as they are nervous to do so or consider themselves to lack the clinical ability to administer the medication effectively. This means that due to their form of administration, some veterinary medicines (such as injectables) are more likely to be purchased from a FOP than others (such as medication administered orally), even where these are available to purchase from third-party retailers and a pet owner could request a written prescription for the prescribed medication.

11.255 Our analysis of data obtained from [✂] shows that pet owners are far more likely to purchase injectable medication from their FOP. Around 20% [✂] of POM-V products for household pets that were to be administered orally were purchased by online pharmacies in 2024, only very small proportions of injectable medicines and medication with other forms of administrative (such as topical or nasal products) were purchased by online pharmacies in the same year ([✂] and [✂]).[949] This includes injectable medicines that are administered as part of a wider veterinary service (such as vaccinations), and those that may be appropriate to obtain a written prescription from their vet for ongoing use (such as for chronic conditions).

11.256 Stakeholders told us that a move towards injectable veterinary medicines may reflect improvements in their greater efficacy, with pet owners offered the opportunity for other forms of medication based on the clinical judgement of their vet.[950] Some of these stakeholders suggested that, to the extent the use of injectable medicines involves greater oversight by vets and/or increased compliance with the treatment regimen by owners, this may have a positive effect

[948] For example: Pet Drugs Online | Low Cost Pet Care, Pet Meds & Fast Delivery (accessed on 23 May 2025), Pet Foods | Pet Prescription Medication | Pet Accessories, Pet Medication (accessed on 23 May 2025), Pet Food, Pet Products, Equine Meds and Veterinary Prescriptions Online at VioVet (accessed on 23 May 2025), and Hyperdrug - Online Pet Store, Pharmacy & Accessories Supplier (accessed on 23 May 2025).
[949] CMA analysis of [✂] data.
[950] For example: Linnaeus response to the February 2025 working papers, 21 March 2025, paragraph 6.30-6.31; Pets at Home response to the February 2025 working papers, 21 March 2025, Table 3; VetPartners' response to the 'Competition in the supply of veterinary medicines' working paper, 21 March 2025, paragraph 5.18-5.22; and Zoetis response to the February 2025 working papers, 27 February 2025, pp1-2.

on animal welfare rather than an attempt to retain the sales of veterinary medicines within FOPs.[951]

11.257 Evidence we have gathered as part of our investigation suggests that there are circumstances where vets may not provide a written prescription for certain injectable medicines or medicines with other forms of administration.[952] For example, our qualitative research showed that, when options of what medication to prescribe are available to vets, they consider the circumstances of the pet and owner when prescribing medication (which includes the ability of a pet owner to administer the medication themselves). [953] An internal document obtained from one LVG ([✂]) suggested that its regulatory team advises its FOPs of the risks involved in providing written prescriptions to pet owners for some commonly prescribed injectable medication as prescribing vets cannot guarantee appropriate storage of these medicines outside of a FOP, and due to the risk of self-injection by pet owners.[954,955]

11.258 Pet owners may benefit from observing the administration of some forms of veterinary medicines by their vet within a FOP, particularly if the pet owner has never needed to administer some forms of medication to their pet before. Vets may also give a short course of medication in the first instance to check whether the pet will respond well to the recommended treatment or where the prescribed medication could lead to side effects. This could mean that, even where a pet owner goes on to request a written prescription for an on-going medication after learning how to administer it effectively themselves, at least the first purchase of this medication is likely to be from their FOP in some cases.[956]

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[951] Consistent with a move from medication that is administered orally towards injectable or other administrative forms of veterinary medicines not reflecting an attempt to retain the sales of veterinary medicines within FOPs, some LVGs told us that the format of medicine prescribed is a clinical decision which they do not seek to influence. LVG RFI responses [✂]; and [✂].

[952] The RCVS said legislation (in addition to clinical considerations) was relevant to whether medicines could be administered by a pet owner as they are only permitted to administer 'minor medical treatments' under the Veterinary Surgeons Act 1966. (RCVS response to Remedies Working Paper, 27 May 2025, p.24). VMD told us that the feasibility of written prescriptions limited for injectable forms as they typically 'come in large packs (for example large multidose bottles of injectable antibiotics or large bottles of liquid medication), are scheduled drugs (such as ketamine), or have risks to the end user (for example injectable steroids, euthanasia medications)' (VMD response to the February 2025 working papers, p.2 and VMD response to the Remedies Working Paper.

[953] Qualitative research with veterinary professionals, p.24

[954] LVG [✂] internal document. [✂].

[955] The LVG [✂] highlight the clinical decision to provide written prescriptions ultimately remains with the prescribing vet. LVG [✂] response to putback, September 2025.

[956] Consistent with this, one respondent to our working papers told us, while written prescriptions can be and are provided for injectable medicines, a vet 'must ensure that the pet owner is aware and takes responsibility for transport and storage, side effects for the patient and of accidental self-injection, is aware of and equipped for safe disposal of sharps, and can administer the injection safely and competently' as part of the responsible prescribing of veterinary medicines (Independent vet [✂] response to February working papers, 25 February 2025).

Many pet owners are not aware they can request a written prescription from their FOP

11.259 The regulatory framework aims to inform pet owners of their ability to request a written prescription when their pet has been prescribed medication. RCVS Guidance states that vets 'must …advise clients, by means of a large and prominently displayed sign or signs (in the waiting room or other appropriate area)' that written prescriptions are available and that pet owners can also purchase veterinary medicines from another FOP or third-party retailer.[957] Vets can also verbally inform pet owners that prescriptions are available and that pet owners can purchase veterinary medicines from these alternative sources.

11.260 The regulatory framework does not appear to be wholly effective.[958] While our survey indicates that most pet owners (57%) are aware of their ability to obtain a written prescription from their FOP, a significant proportion (38%) are unaware of this option.[959] This is shown in Table 11.6.

Table 11.6: Awareness among pet owners of their ability to obtain a written prescription

	One-off medication	*On-going medication*	*All medication*
Yes, I am aware that I can obtain a written prescription from my vet	47%	73%	57%
No, I am not aware that I can obtain a written prescription from my vet	48%	23%	38%
I don't know / I am not sure	4%	4%	13%

Source: Pet owners survey, Q91 and Q92.

11.261 Table 11.6 also shows that there is a substantial difference in the awareness of the ability to obtain a written prescription among pet owners whose pet has been prescribed one-off medication (47% aware, 48% unaware) and on-going medication (73% aware, 23% unaware) by their vet.

11.262 Our survey also shows that awareness of the ability to obtain a written prescription from a vet among pet owners whose pet has been prescribed on-going medication also differs by the payment frequency of their repeat prescriptions.[960] Pet owners whose pets are prescribed on-going medication with purchases repeated every six or twelve months were far more likely to have been aware of their ability to request

[957] RCVS Guidance, paragraph 10.3; RCVS, Guidance on Fair trading requirements.
[958] This is consistent with the views of some stakeholders. For example: Pets at Home response to the February 2025 working papers, 21 March 2025, paragraph 2.73; BVA, BSAVA, BVNA, SPVS, VMG response to the February 2025 working papers, March 2025, paragraph 7; RCVS response to February 2025 working papers, p.18.
[959] Pet owners survey, Q91. Consistent with this, some vets included in our qualitative research reported that not all pet owners were aware that they could ask for prescriptions. Qualitative research with veterinary professionals, p.32.
[960] It is not clear from our survey to what extent the purchase frequency of repeat prescriptions correlates with the length of treatment a vet has recommended. For example, it could be the case that pet owners who pay for their repeat prescription each month are also having consultations with their vet every month to monitor the effect of the medication. It could also be the case that pet owners whose pet has been prescribed medication to treat a longer-term health condition that only requires a consultation with a vet every six or twelve months are choosing to purchase (or are only being dispensed with) a smaller amount of medication every month.

a written prescription (87% and 83%, respectively) than pet owners who purchased on-going medication on a monthly or three-monthly (67% and 80%, respectively).[961]

11.263 Consistent with this, our qualitative research found that vets are more likely to inform pet owners that they can request a written prescription for on-going medication than one-off medication and where it may be in the financial interest of pet owners to purchase medication from online pharmacies.[962]

11.264 Most pet owners are, however, aware they can obtain a written prescription from their vet.[963] A little over half of pet owners are aware that they can obtain a written prescription from their vet, suggesting this option is effectively promoted in many FOPs.[964] A much larger majority who are likely to benefit most from purchasing medication from an online pharmacy rather than their FOP (such as those whose pet has been prescribed on-going medication or larger amounts of on-going medication) are aware of their ability to request a written prescription and many appear to act on this ability.[965] This suggests that a lack of awareness of this option is not the only, or the most important, barrier faced by pet owners in engaging with the competitive offering of third-party retailers.

Most pet owners are not aware of the prices offered by third-party retailers when purchasing medication

11.265 Stakeholders told us that pet owners can and do compare prices for veterinary medicines between FOPs and third-party retailers, with some suggesting this is easy for pet owners given the transparency of pricing offered by online pharmacies.[966] Other stakeholders said it could be challenging for pet owners to compare prices of FOPs and third-party retailers, for example as FOPs do not provide standardised and transparent lists of prices for veterinary medicines.[967]

11.266 Our survey shows that only a small proportion of pet owners whose pet had been prescribed medication in the past two years compared prices for veterinary medicines (30%), although there is a substantial difference between pet owners

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[961] Pet owners survey, Q91 and Q93. Other frequencies of repeat prescriptions are not shown due to the low sample size.
[962] As set out in part A, ssection 11: Veterinary Medicines, subsection The dual role of vets as both a prescriber and retailer of veterinary medicines may mean pet owners are less likely to purchase medication from third-party retailers.
[963] Several stakeholders have highlighted this in their submissions to us. For example: CVS response to the February 2025 working papers, 21 March 2025, p.21; IVC response to the February 2025 working papers, March 2025, p.68; and Linnaeus response to the February 2025 working papers, 21 March 2025, p.35 and p.40.
[964] As set out in Table 11.6.
[965] As set out in part A, section 11: Veterinary Medicines, subsection The use of third-party retailers by pet owners depends on the type of medication they have been prescribed by their vet.
[966] IVC response to the February 2025 working papers, March 2025 p.68; Pets at Home response to the February 2025 working papers, 21 March 2025 paragraph 2.75; and VetPartners' response to the 'Competition in the supply of veterinary medicines' working paper, 21 March 2025 paragraph 3.16.
[967] CVS response to the February 2025 working papers, 21 March 2025, p.6; Medivet response to the February 2025 working papers, 21 March 2025 paragraph 6.71-6.75; and BVA, BSAVA, BVNA, SPVS, VMG response to the February 2025 working papers, March 2025, p18, paragraph 3.

whose pet had been prescribed one-off medication (20%) and on-going medication (44%).[968] This is shown in Table 11.7.

Table 11.7: Awareness among pet owners of the prices for veterinary medicines

	One-off medication	*On-going medication*	*All medication*
I have compared the price of my pet medication	20%	44%	30%
I have not tried to compare the price	70%	44%	60%
I have tried to compare the price but couldn`t find information	8%	10%	9%
I don't remember	2%	1%	2%

Source: Pet owners survey, Q98 based on responses to Q92. Figures do not add up to 100% because of rounding.

11.267 Table 11.7 shows that a substantial proportion of pet owners could not find the information they needed to compare the price of medication. This represented 9% of all pet owners whose pet was prescribed medication in the past two years, with a slightly higher proportion of pet owners unable to compare the price of on-going medication (10%) than one-off medication (8%).

11.268 Our survey also shows that awareness of the prices for veterinary medicines among pet owners whose pet has been prescribed on-going medication also differs by the payment frequency of their repeat prescriptions.[969] Pet owners whose pets are prescribed on-going medication with purchases repeated every six or twelve months were far more likely to have compared prices for veterinary medicines (71% and 58%, respectively) than pet owners who purchase on-going medication on a monthly or three-monthly (35% and 52%, respectively).[970]

11.269 Our survey indicates that comparing prices for veterinary medicines made it much more likely that pet owners would purchase medication from a third-party retailer compared with those who had not compared prices. A much larger proportion of pet owners that reported they had compared prices for veterinary medicines made their most recent purchases of one-off medication (24%) and on-going medication (54%) from an online pharmacy than those that had not compared prices (2% and 1%, respectively).[971] One reason that pet owners might purchase medication from an online pharmacy without attempting to compare prices could be that they had been told by their vet or had heard from friends and family that substantial financial savings could be made when purchasing veterinary medicines from an online

[968] Pet owners survey, Q98 based on responses to Q92.
[969] It is not clear from our survey to what extent the purchase frequency of repeat prescriptions correlates with the length of treatment a vet has recommended. For example, it could be the case that pet owners who pay for their repeat prescription each month are also having consultations with their vet every month to monitor the effect of the medication. It could also be the case that pet owners whose pet has been prescribed medication to treat a longer-term health condition that only requires a consultation with a vet every six or twelve months are choosing to purchase (or are only being dispensed with) a smaller amount of medication every month.
[970] Pet owners survey, Q93 and Q98. Other frequencies of repeat prescriptions are not shown due to the low sample size.
[971] Pet owners survey, Q92, Q95, Q96, and Q98.

pharmacy rather than their FOP and had acted on this advice without comparing prices for the prescribed medication.

11.270 We note that information on the price of veterinary medicines is not the only information needed for pet owners to identify whether it is best for them to purchase from a FOP or a third-party retailer. The overall financial savings ultimately available to pet owners will depend on a range of clinical factors that vets will consider when prescribing medication, the length of treatment recommended (and therefore volume of medication prescribed) by the vet, and the fees charged by FOPs for dispensing medication or for the provision of a written prescription.[972] Given that the fees associated with the supply of veterinary medicines at FOPs are not always made clear to pet owners,[973] a lack of transparency of these fees may make it more difficult for pet owners to assess whether it is best for them to request a written prescription to purchase medication from a third-party retailer than we would expect in a well-functioning market.

Prescription fees may deter at least some pet owners from requesting a written prescription from their vet

11.271 Stakeholders told us that prescription fees do not act as a barrier to pet owners looking to purchase veterinary medicines from third-party retailers and that the current level of fees charged by FOPs appropriately reflect the work of vets in prescribing medication to treat a health condition experienced by a pet.[974] One LVG ([✂]) submitted Apoquel as an example of when it was still cost effective to purchase a medication online even after the prescription fee had been included in the overall price when giving a prescription for its usual dosage (30 tablets).[975]

11.272 However, stakeholders also told us that prescription fees may reduce or eliminate the potential savings available to pet owners when purchasing veterinary medicines from an online pharmacy rather than a FOP.[976] Consistent with this, while there are generally substantial savings available to pet owners by purchasing commonly prescribed veterinary medicines from an online pharmacy rather than from their FOP, some of our case study medicines had substantially lower overall financial savings than others. A small number of medicines in our

[972] As set out in part A, section 11: Veterinary Medicines, subsection These price differences can lead to significant financial savings for pet owners when purchasing from online pharmacies.
[973] As set out in part A, section 8: Competition between FOPs.
[974] For example: IVC response to the February 2025 working papers, March 2025, slide 69; Linnaeus response to the February 2025 working papers, 21 March 2025, paragraph 6.26-6.29; Pets at Home response to the February 2025 working papers, 21 March 2025, paragraph 2.58; VetPartners' response to the 'Competition in the supply of veterinary medicines' working paper, 21 March 2025 paragraph 5.13-5.17; RCVS response to February 2025 working papers, p.16; BVA, BSAVA, BVNA, SPVS, VMG response to the February 2025 working papers, March 2025, p.20 paragraph 11.
[975] IVC Response to the Issues Statement, 30 July 2024, paragraph 7.16
[976] For example: Qualitative research with veterinary professionals, p30; Summary of Edinburgh roundtable discussions, paragraph 18; Individual Correspondence, Pet owner email; Online pharmacy RFI response [✂]; and VetPartners' response to the 'Competition in the supply of veterinary medicines' working paper, 21 March 2025, paragraph 5.15.

sample had no financial savings and would cost pet owners more overall when purchasing from an online pharmacy rather than their FOP.

11.273 The presence and magnitude of prescription fees may discourage some pet owners from requesting a written prescription. A prescription fee of [£20-30] [✂] may appear large relative to the price of other veterinary services that pet owners can access at their FOP, such as a fee of around £40 for an initial consultation to diagnose a health condition experienced by a pet and where a vet may prescribe a veterinary medicine to treat this condition.[977] The large relative cost of obtaining a written prescription, representing a 50% or more uplift over the consultation fee, may mean some pet owners may not attempt to access information on the competitive offering of third-party retailers (particularly where they have never done so before and perceive this to be less convenient than purchasing medication form their FOP) or even consider whether it may be appropriate for them to obtain a written prescription from their vet.

11.274 Our survey shows that current level of prescription fees may not be an important factor in the decision of pet owners to purchase veterinary medicines directly from their FOP. When asked why a pet owner chose to buy medication from their FOP, some respondents wrote in other reasons, including 2% who said the cost of prescription outweighed the benefit of buying the medication elsewhere.[978] However, for pet owners to know the prescription fee was more than the potential saving available to them they would need to have compared prices for the prescribed medication between their FOP and a third-party retailer. As only a small proportion of pet owners whose pet had been prescribed medication in the past two years compared prices for veterinary medicines (30%), many pet owners may not have been aware that the prescription fee was more than the potential saving available to them when purchasing from a third-party retailer before deciding to purchase directly from their FOP.

11.275 As our evidence and analysis suggest that the sale of veterinary medicines appears to be highly profitable for FOPs,[979] FOPs may have an ability and incentive to increase the prescription fee to retain the sales of veterinary medicines and to limit competition with third-party retailers. This is explored further in part B, section 6.[980]

[977] The SPVS fees survey found that the median fee nationally for an initial consultation of a dog or cat was £37.50 in 2022 and £40.83 in 2023. SPVS Fees Survey p.5 2023 (accessible to full members only).
[978] Pet owners survey, Q99.
[979] As set out in part A, section 11: Veterinary Medicines, subsection Profitability of veterinary medicine sales to FOPs.
[980] Part B, section 6: Prescription price control.

Own Brand medicines may act as a barrier to pet owners engaging with the competitive offering of third-party retailers

11.276 CVS and IVC are the largest suppliers of Own Brand medicines.[981] Their Own Brand products are available only from FOPs owned by them and, in the case of CVS, independent FOPs who are members of CVS buying groups. CVS and IVC do not sell their Own Brand products at their company-owned online pharmacies (Animed and PDOL, respectively), nor are they available at other third-party retailers.

11.277 CVS and IVC introduce Own Brand medicines for products they purchase in large volumes and where the use of an Own Brand product could strengthen their ability to negotiate lower prices with manufacturers.[982] They told us that these lower prices negotiated with manufacturers are shared with pet owners. [✂].[983] CVS told us that their Own Brand medicines ensure at least a [✂] saving to clients compared with the equivalent third-party branded version.[984]

11.278 [✂] and [✂] told us that their veterinary professionals have clinical autonomy over the medicines they choose to prescribe such that Own Brand products may not be recommended to pet owners in all circumstances.[985] Vets at FOPs owned by IVC would provide written prescriptions for clinically equivalent alternatives to Own Brand medicines if a written prescription were requested by a pet owner.[986,987] CVS also said that vets at its FOPs could provide written prescriptions for clinically equivalent alternatives if a written prescription were requested by a pet owner.[988] However, we have obtained some evidence that written prescriptions are being provided to pet owners for Own Brand products, which suggests that FOPs owned and operated by CVS and IVC (or are members of CVS' buying groups) are not aware that these products cannot be dispensed by third-party retailers.[989]

11.279 The sale of Own Brand products may make it difficult for pet owners to find comparable price information on the medication prescribed by vets given that third-party retailers will offer only the medicine that has the brand name given by a manufacturer. For example, a vet who may typically prescribe Milbemax may prescribe Milbevet (if working at an IVC-owned FOP) or MiPet Milbeworm (if

[981] One buying group ([✂]) supplies an Own Brand POM-V medicine.
[982] Other benefits of Own Brand products we have been made aware of include the ability to control stock, increase security of supply and, for [✂], the ability to manage marketing and promotional messaging. IVC response to the February 2025 working papers, March 2025, p.69-69A; and CVS response to the February 2025 working papers, 21 March 2025, p.22.
[983] [✂]. LVG response to working papers, March 2025 [✂].
[984] Note of a call with a buying group [✂].
[985] LVG RFI responses [✂]; and [✂].
[986] LVG RFI response [✂].
[987] 'Clinically equivalent alternative' refers to a medicines with the same active pharmaceutical ingredient. LVG [✂] response to putback, September 2025.
[988] LVG RFI response [✂].
[989] Note of a call with online pharmacy [✂].

working at a CVS-owned FOP or a FOP that is a member of CVS' buying groups).[990]

11.280 Veterinary professionals included in our qualitative research raised concerns that Own Brand products were limiting choice for pet owners by reducing transparency of the options available to them, in particular making it more difficult for pet owners to purchase an equivalent medication online. [991] Some stakeholders told us that the prescription of Own Brand medicines could discourage pet owners from being able to compare prices for veterinary medicines and to purchase medication from third-party retailers.[992]

11.281 This is because a pet owner whose pet is prescribed an Own Brand product by their vet would have to navigate the following steps in identifying whether it may be appropriate for them to purchase an alternative to this medication from a third-party retailer. First, they would have to be able to identify that their pet has been prescribed an Own Brand medicine. Second, the pet owner would have to be aware, at the point at which the medicine is prescribed by a vet, that there are clinically equivalent alternatives to this Own Brand product available to them. Last, they would need to confirm that the clinically equivalent alternative they have identified is suitable for their pet by relying on information from a trusted source with the relevant veterinary expertise.

11.282 Only after all these steps had been taken successfully could a pet owner be able to compare prices between the Own Brand product and the clinically equivalent alternative before deciding whether to request a written prescription for the necessary medication from their vet. It is unlikely that pet owners would be able to navigate these steps without the support of their vet given the inherent asymmetry of information and knowledge between them.

11.283 The barriers to obtaining pricing information on the clinically equivalent alternatives to Own Brand medicines may prevent pet owners from making substantial savings by purchasing clinically equivalent medication from an online pharmacy owned and operated by the same LVG.[993] This is shown in Table 11.8.

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[990] CMA analysis of: Veterinary Medicines Directorate, Product Information Database - Home, search for 'Milbemax', 'Milbevet', and 'Milbeworm' (accessed on 23 May 2025); IVC Evidensia announces first exclusive brand POM-V (accessed on 23 May 2025); and Supplier Information – MiPet® (accessed on 23 May 2025).
[991] Qualitative research with veterinary professionals, p.26.
[992] BVA, BSAVA, BVNA, SPVS, VMG response to the February 2025 working papers, March 2025, pp20-21 paragraph 13-14; FIVP response to the February 2025 working papers, March 2025, p.4; Independent vet [✂] response to Remedies Working Paper, 15 May 2025, p.10.
[993] This analysis uses the same data and methodology as set out in part A, section 11: Veterinary Medicines, subsection There are substantial differences between the prices of veterinary medicines at FOPs and online pharmacies.

Table 11.8: Percentage price difference between FOPs and online pharmacies for a sample of Own Brand medicines (2024)

	[✂]	*[✂]*
Average percentage price difference	[More than 50%] [✂]	[More than 50%] [✂]
Range of percentage price differences	[✂]	[✂]
Number of product matches included in our sample	[✂]	[✂]
FOP medicine revenues represented by our sample	[✂]	[✂]

Source: CMA analysis of data provided by [✂] and [✂] (in response to RFI14).

11.284 Table 11.8 shows that, although there is a wide range in the percentage price differences, pet owners can on average save more than 50% on the price of an Own Brand medicine sold by CVS and IVC affiliated FOPs when purchasing a clinically equivalent alternative from CVS and IVC's online pharmacies. This suggests that there are substantial savings available to pet owners when purchasing clinically equivalent alternatives to Own Brand medicines from an online pharmacy.

The negotiating power of FOPs and third-party retailers when purchasing medicines

11.285 We set out the evidence and analysis on the negotiating power of FOPs and third-party retailers in the supply of veterinary medicines in this subsection.

11.286 This evidence and analysis supports our provisional assessment that the rebates customers (FOPs and third-party retailers) for veterinary medicines can negotiate with manufacturers, either directly or through membership of buying groups, is a consequence of their negotiating power. Manufacturer rebates reflect the volume of purchases as well as the efficiencies achieved through certain procurement and purchasing practices by some FOPs and third-party retailers (such as the certainty of their purchase volumes manufacturers or through the selection of one of many clinically equivalent veterinary medicines).

Rebates obtained from manufacturers by FOPs and third-party retailers

11.287 We start by looking at the rebates FOPs and third-party retailers can obtain from manufacturers. We have focused on purchase costs as the key outcome of the negotiating process between manufacturers and respectively FOPs and third-party retailers.

Some FOPs have told us that they have higher purchase costs for certain veterinary medicines than the retail prices at some online pharmacies

11.288 Some vets told us in roundtable discussions that pet owners could obtain medicines at a lower price online than the cost of purchasing the same medicine from a wholesaler for a FOP.[994] However, we note that wholesale prices do not reflect rebates from manufacturers and only reflects the discount from wholesalers on manufacturer list price.

11.289 We have also heard that the purchase costs for some veterinary medicines at some independent FOPs are higher than the prices available to pet owners at online pharmacies even when including manufacturer rebates.[995] For example:

(a) A vet at an independent FOP ([✂]) estimated that [0-10%] [✂] of its top [✂] products could be obtained at a lower price from online pharmacies than the 'net net' prices it receives via a Preferred Product buying group ([✂]). For example, the vet submitted that for one medicine which does not have any available alternatives (Opptimmune) the cost to the practice obtained through its buying group was [10-20%] [✂] higher than its price at an online pharmacy ([✂]).[996]

(b) An independent FOP ([✂]) told us that the 'net net' price it can access via a Preferred Product buying group ([✂]) is higher than the price at an online pharmacy for over 400 products, although it noted it does not normally stock many of these products.[997] One such product is Meloxidyl Oral Suspension, which varied from [60-70%] [✂] to [100-200%] [✂] more expensive than at online pharmacies depending on dose and quantity.[998]

11.290 Medivet told us that its purchase costs for some veterinary medicines are higher than the prices available to pet owners at online pharmacies.[999] Medivet submitted that its 'net net' price for Epiphen Solution for dogs (30ml) was [✂] higher than the price the same drug was being sold at Animed (the online pharmacy owned by CVS) and its net purchase cost for Zodon Oral Solution for Cats and Dogs (20ml)

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[994] Manchester roundtable summary, paragraph 9.
[995] This includes from one buying group ([✂]) that told us there are some small animal medicines that its members are unable to purchase (when including wholesale discount and manufacturer rebates) at the prices that are available to pet owners at some LVG-owned online pharmacies. Note of a call with a buying group [✂], 2 May 2025, [✂].
[996] Independent vet [✂] response to RFI, [✂].
[997] Independent FOP [✂] submission, [✂].
[998] Independent FOP [✂] submission, [✂].
[999] Medivet submitted that this is due to a number of factors which distinguish Medivet from online pharmacies including lower economies of scale, costs of physical premises, higher staff costs, higher inventory management and storage expenses and the fact that RCVS requirements (which do not apply to online pharmacies) mean that FOPs must purchase medicines exclusively from certain licensed wholesalers, often at higher prices than those available to online pharmacies. Medivet response to putback, September 2025.

was [✂] higher than the price it was being sold for at the same online pharmacy.[1000]

11.291 We received more than 100 submissions in support of a campaign to move towards the uniform pricing of veterinary medicines.[1001] These representations included template language that claimed LVGs and buying groups are able to use their consolidated purchasing power to secure significant supplier discounts and rebates. The submissions suggested that these rebates are not available to independent practices.

There are substantial differences in the rebates obtained from manufacturers between different LVGs and between LVGs, buying groups, and other FOPs and third-party retailers

11.292 We assessed differences between the average rebates obtained by different types of customers from the nine largest manufacturers by value of sales in the UK. Sales from these nine manufacturers accounted for the vast majority [✂] of POM-V medicine sales to FOPs and third-party retailers in 2024.[1002]

11.293 We consider weighted averages (weighted by sales value) as part of our analysis of rebates from the top nine manufacturers. Sales from these manufacturers make up a high proportion of total sales to FOPs and third-party retailers which means that the weighted average provides the best indicator of the overall costs of medicines faced by different types of businesses.

11.294 The data we gathered from manufacturers aggregated the information for members of Preferred Product schemes and members of non-Preferred Product schemes operated by buying groups. However, the membership schemes included in each of these categories was not consistent across each of the nine manufacturers and we could not correct for this with the information we requested from these manufacturers.[1003] This means that our analysis does not estimate the 'true' weighted average obtained by members of Preferred Product and non-Preferred Product schemes operated by buying groups.

11.295 Our analysis found there are large differences in the average rebates obtained between both different LVGs and different types of buying groups from the nine largest manufacturers. This is shown in Table 11.9.

[1000] Medivet's response to the CMA's Working Papers, p. 57, footnote 128. We note that the net purchase costs submitted by Medivet do not include VAT so price differences are likely to be higher if VAT is included in the calculation.
[1001] As set out in CMA summary of Remedies Working Paper responses.
[1002] CMA analysis of [✂] data.
[1003] As set out in more detail in Appendix I: Supporting evidence on veterinary medicines.

Table 11.9: Analysis of rebates obtained by different customers from the nine largest manufacturers by value of sales in the UK (2024)

Customer / customer type	*Weighted average*
All LVGs	[50-60%] [✂]
- [✂]	[60-70%] [✂]
- [✂]	[50-60%] [✂]
- [✂]	[50-60%] [✂]
- [✂]	[50-60%] [✂]
- [✂]	[50-60%] [✂]
- [✂]	[40-50%] [✂]
All buying groups	[30-40%] [✂]
- Buying groups with Preferred Product schemes	[40-50%] [✂]
- Buying groups without Preferred Products schemes	[20-30%] [✂]
Other FOPs and third-party retailers	[20-30%] [✂]

Source: CMA analysis of RFI responses from [✂], [✂], [✂], [✂], [✂], [✂], [✂], [✂] and [✂]

11.296 Table 11.9 shows there is a large range in the weighted average rebates obtained by different LVGs, with the weighted average rebate obtained by [✂] ([40-50%]) considerably less than that obtained by [✂] ([60-70%]).

11.297 Table 11.9 also shows that buying groups with Preferred Product schemes were able to obtain larger rebates from these manufacturers when considering their sales value (weighted average of [40-50%]) than buying groups without Preferred Product schemes (weighted average of [20-30%]).[1004] However, as the membership schemes included in each of these categories are not consistent across manufacturers, the difference between Preferred Product and non-Preferred Product schemes shown in our analysis may not estimate the 'true' difference between members of each type of scheme. We explore the rebates obtained by individual membership schemes offered by buying groups as part of our analysis of a sample of top selling products below.

11.298 We found that rebates can materially vary across manufacturers. Our analysis shows that the average rebate obtained across all LVGs from manufacturers in our sample ranged from [30-40%] to [70-80%].[1005] The corresponding figures for buying groups ranged from [10-20%] to [40-50%].

11.299 Differences in the rebates obtained by LVGs, buying groups, and other FOPs and third-party retailers can therefore be a consequence of the mix of veterinary medicines they each purchase. For example, we understand that manufacturer rebates on preventative treatments such as vaccine and flea, tick and worming treatments (which are commonly sold to pet owners as part of pet plans) are typically higher than other types of veterinary medicines. This means veterinary businesses that have more sales of these veterinary medicines (potentially sold

[1004] Consistent with this, two buying groups [✂] said that their members who chose to select from Preferred Products were able to obtain larger rebates from manufacturers than those who did not. Buying group RFI1 responses, Q1 [✂].
[1005] CMA analysis of RFI responses from [✂], [✂], [✂], [✂], [✂], [✂], [✂], [✂] and [✂].

through pet care plans or sold as distinct products in their FOPs) will be able to obtain larger rebates from manufacturers that supply these medications than other veterinary businesses.[1006]

Further evidence on a smaller sample of medicines shows that some buying groups can obtain comparable rebates to some LVGs

11.300 We assessed the rebates obtained by different types of customers on their purchases of a sample of 35 top selling products from seven manufacturers.

11.301 We consider the simple average to be most appropriate for our analysis as the 35 products included in our sample represent only a small proportion of the veterinary medicines purchased by FOPs and third-party retailers. Using the simple average means that the presence of a small number of high volume and high rebate products purchased by some customers (for example, if the medication features on a Preferred Product list or is a commonly prescribed preventative treatment) does not bias our analysis.

11.302 We note that some of the veterinary medicines included in our sample are those which were referenced by stakeholders in their submissions to us that their purchase costs for some products may be greater than retail prices at online pharmacies.

11.303 Our analysis has found that rebates obtained on these top selling products can be very large and that some buying groups can on average obtain broadly comparable rebates to most LVGs for these medicines.[1007] This is shown in Table 11.10.

[1006] As set out in part A, section 11: Veterinary Medicines, subsection Veterinary medicines are sold at several times their purchase costs by FOPs.
[1007] Some manufacturers did not clearly differentiate between buying groups that have both Preferred Product and non-Preferred Product membership schemes. In such cases, we have only included instances where it was clear which membership scheme was obtaining a given rebate on a case study product on a conservative basis. This is set out in more detail in Appendix I: Supporting evidence on veterinary medicines.

Table 11.10: Analysis of rebates obtained by different customers from a sample of top selling products across manufacturers (2024)

Customer	*Customer type*	*Simple average*
[✂]	LVG	[60-70%] [✂]
[✂]	Buying group (Preferred Product)	[50-60%] [✂]
[✂]	Buying group (Preferred Product)	[50-60%] [✂]
[✂]	LVG	[50-60%] [✂]
[✂]	LVG	[50-60%] [✂]
[✂]	LVG	[50-60%] [✂]
[✂]	LVG	[40-50%] [✂]
[✂]	LVG	[40-50%] [✂]
[✂]	Buying group (Preferred Product)	[30-40%] [✂]
[✂]	Buying group (Preferred Product)	[30-40%] [✂]
[✂]	Buying group (Non-Preferred Product)	[30-40%] [✂]
[✂]	Buying group (Non-Preferred Product)	[30-40%] [✂]
[✂]	Buying group (Non-Preferred Product)	[30-40%] [✂]

Source: CMA analysis of RFI responses from [✂], [✂], [✂], [✂], [✂], [✂] and [✂]. Customers with fewer than five products included in our analysis have been excluded from the table ([✂] and [✂]).

11.304 Table 11.10 also shows that the Preferred Product membership schemes of three buying groups ([✂], [✂], [✂]) can obtain broadly comparable rebates to most LVGs. Members of these schemes obtained rebates of between [30-40%] and [50-60%] on the products included in our sample, with most LVGs obtaining rebates of between [50-60%] and [60-70%]. Purchases of POM-V products for household pets by members of these three Preferred Product schemes represented a material proportion [✂] of all purchases by members of buying groups in 2024.[1008]

11.305 The non-Preferred Product membership schemes offered by three buying groups (such as [✂], [✂], and [✂]) appear less able to obtain broadly comparable rebates to most LVGs. Members of these schemes obtained rebates of between [30-40%] and [30-40%] on the products included in our sample, although we note these are broadly comparable to the rebates obtained by two LVGs – one which [✂] obtained a rebate of [30-40%] and another [✂] which obtained a rebate of [40-50%] [✂].

Factors which influence the rebates obtained by FOPs and third-party retailers

11.306 We now turn to our assessment of the factors that influence the rebates obtained by FOPs and third-party retailers. The factors we have considered in this assessment are drawn from our understanding of how the veterinary medicines industry operates and the main competitive dynamics that influence the supply of veterinary medicines in the UK.[1009]

[1008] CMA analysis of [✂] data.
[1009] As set out in part A, section 11: Veterinary Medicines, subsection Nature of competition.

LVGs purchase large volumes of veterinary medicines and are seen as important customers by manufacturers

11.307 As we understand that the volume of purchases made at a product (or a product category) level are typically a key factor in determining rebates, we have considered whether the purchase volumes of LVGs could explain the substantial differences in the rebates they can obtain compared with other FOPs and third-party retailers.

11.308 Our analysis of data obtained from [✂] shows that purchases of POM-V products by LVGs represented a large majority [✂] of the value of sales by manufacturers in 2024.[1010] This is consistent with the rapid expansion of LVGs in recent years, with around 60% of FOPs being owned and operated by LVGs.[1011]

11.309 Figure 11.3 shows that differences between the rebates obtained by different LVGs may reflect the fact that some purchase more veterinary medicines than others.[1012]

Figure 11.3: Value of POM-Vs for household pets purchased at [✂] by LVGs in the UK (2024)

[✂]

Source: CMA analysis of [✂] data

11.310 Figure 11.3 also shows that the largest purchaser of veterinary medicines among LVGs is [✂] (with an absolute value of purchases of [✂] in 2024) and [✂] is smallest [✂]). [✂], our analysis shows that there are substantial differences in the value of purchases across LVGs.

11.311 [✂]. IVC is the largest supplier of veterinary services in the UK (with over 900 practices) and Linnaeus is the smallest LVG (with around 180 practices). CVS, IVC, and VetPartners own and operate three of the largest online animal pharmacies in the UK. [1013] Owning an online pharmacy means a veterinary business may negotiate rebates with manufacturers by aggregating volumes purchased by its FOPs with volumes purchased by the online pharmacies it owns and operates.[1014]

[1010] CMA analysis of [✂] data.
[1011] As set out in part A, section 2: Context for the veterinary services market.
[1012] Our analysis includes all entities that are in the same group as each LVG: IVC and Vets Now are combined, Pets at Home and Companion Care are combined. However, we have not included the buying groups owned and operated by CVS in our analysis because CVS told us that it does not aggregate purchases of its buying groups with purchases by its FOPs and online pharmacy. CVS RFI18 response, [✂].
[1013] CVS told us that it does not aggregate the purchase volumes of its buying groups with those of its FOPs and online pharmacy when negotiating terms with medicine suppliers. CVS RFI18 response, [✂].
[1014] LVG RFI18 responses [✂].

11.312 We have obtained evidence that suggests some LVGs are able to use volumes of medicines purchased outside the UK to obtain larger rebates from manufacturers in the UK. In particular:

(a) One manufacturer ([✂]) told us that some LVGs do negotiate supply terms on a global or regional basis.[1015] The manufacturer said that this can result in additional rebates being obtained by some of its customers in Europe as a result of their global or regional activities.

(b) One LVG ([✂]) said it has supply agreements with two manufacturers ([✂]) that consider its purchase volumes in countries other than the UK when negotiating rebates.[1016]

11.313 Another LVG ([✂]) said it has an agreement with one manufacturer ([✂]) which includes the allocation of rebates based on purchase volumes in the UK as well as in European countries.[1017]

11.314 These large volume of purchases (both in the UK and in other countries) mean that LVGs are typically viewed as important customers by manufacturers who therefore offer large rebates to win and retain their business.[1018] For example, one manufacturer ([✂]) told us that it must now offer much higher rebates to LVGs to win tenders than it had in the past and that LVGs are 'extremely important customers due to the proportion of the market they control'.[1019]

11.315 The importance of LVGs as customers of veterinary medicines can also lead to their obtaining benefits from manufacturers other than larger rebates. For example, internal documents from some manufacturers show that larger customers, such as LVGs, may require more tailored commercial approaches compared with other businesses, with agreements catered to each businesses' specific needs and requirements.[1020] Some evidence shows that LVGs can obtain

[1015] Note of a call with a manufacturer [✂].
[1016] LVG [✂] RFI18 response, [✂]. [✂] confirmed that its supply agreements with all other manufacturers base rebates only on UK purchase volumes.
[1017] LVG [✂] RFI18 response, [✂].
[1018] For example, Note of a call with a manufacturer [✂] and manufacturer [✂] internal document, [✂], 26 July 2022, [✂]. The document describes the manufacturer's [✂] LVG accounts as its 'most important customer group' regarding the sale of one medicine ([✂]).
[1019] Note of a call with a manufacturer [✂], [✂].
[1020] For example, Manufacturer [✂] internal document, [✂], [✂]. The document details that [✂]; Manufacturer [✂] internal document, [✂], [✂]. The document notes [✂]; Manufacturer [✂] internal document, [✂], [✂]. The document notes [✂]; and manufacturer [✂] internal document, [✂], [✂]. The document sets out [✂].

supply commitments from manufacturers which mitigate supply chain disruption in the event of supply shortages.[1021,1022]

11.316 When taken together, this evidence and analysis shows that LVGs purchase large volumes of veterinary medicines, reflecting the scale and scope of their activities in the UK and, for some, in other countries. This is likely to be the primary reason why LVGs can obtain substantially larger rebates from manufacturers than other FOPs and third-party retailers given that the volume of purchases made at a product (or a product category) level are typically a key factor in determining rebates.

Some buying groups appear to support the purchase of comparable volumes of medicines to some LVGs

11.317 FOPs and third-party retailers can join buying groups to strengthen their negotiating position with manufacturers. One purpose of buying groups is to use the collective negotiating power of their members to obtain larger volume rebates with manufacturers than would be available to individual members acting alone.

11.318 Data obtained from [✂] shows that the POM-V purchases made by buying group members represented a material proportion [✂] of the value of sales by manufacturers in 2024, a share that has increased [✂].[1023] By comparison, the purchases of POM-V products by LVGs [✂] in the same period.

11.319 Manufacturers and buying groups told us that this increase in the purchase volumes by buying groups has led to buying groups (particularly those that are able to obtain lower purchase costs for medicines) strengthening their negotiating position with manufacturers.[1024]

11.320 Figure 11.4 shows that some membership schemes operated by buying groups support similar sales values to the smaller LVGs and that there are substantial differences across the membership schemes operated by buying groups.

Figure 11.4: Value of POM-Vs for household pets purchased by LVGs and members of buying groups [✂] in the UK (2024)

[✂]

[1021] For example: LVG [✂] internal document, [✂], [✂]; Manufacturer [✂] Internal Document, [✂],[✂]; LVG [✂] Internal Document, [✂]; and LVG [✂] response to the February 2025 working papers (confidential version), [✂]. We have also seen evidence that some buying groups are able to obtain similar terms from manufacturers. For example, Buying group [✂] Internal Document, [✂], [✂].
[1022] One manufacturer explained that it aims to work with customers to mitigate supply disruption using strategies such as providing advanced notice of expected supply interruptions to allow for alternative products to be sourced if the manufacturer cannot offer an alternative. Source: Manufacturer [✂] response to putback, September 2025.
[1023] CMA analysis of [✂] data.
[1024] Notes of calls with buying groups and manufacturers and other submissions [✂]. One buying group [✂] added that manufacturers are keen to engage with buying groups given that they are in growth and in the light of the increased use of Preferred Products. Buying group [✂] response to putback, September 2025.

Source: CMA analysis of [✂] data

11.321 Figure 11.4 also shows that the largest purchasers of veterinary medicines among buying groups are [✂], and [✂]). It shows further that these buying groups had comparable purchases to [✂] and [✂] in 2024.

11.322 Buying groups are also considered to be important customers by manufacturers, with some viewing LVGs and some buying groups as comparable. For example, a document submitted by one manufacturer [✂].[1025] A pricing strategy document from another manufacturer ([✂]) states that [✂] in relation to its local pricing policy including for the sales of two of its medicines ([✂] and [✂]).[1026]

Differences in business models influence the rebates obtained by LVGs and buying groups

1.1 In addition to highlighting differences between the purchase values supported by buying groups, Figure 11.4 shows that the purchase values supported by buying groups (or businesses purchasing veterinary medicines more broadly) may not be the only reason why some can obtain substantially larger rebates from manufacturers than others.

11.323 In particular, Preferred Product schemes of buying groups appear able to obtain larger rebates for at least some veterinary medicines than non-Preferred Product schemes. For example, one buying group ([✂]) can obtain much larger rebates than the largest buying group ([✂]) but supports a significantly smaller purchase value of POM-V products for household pets than the largest buying group. The same buying group ([✂]) can obtain comparable rebates to many LVGs for at least some top selling veterinary medicines.[1027]

11.324 This suggests that reasons other than purchase volumes alone explain why some businesses can obtain substantially larger rebates from manufacturers than others. We discuss below the role played by product selection and commitments/compliance in determining the rebates received by LVGs, buying groups and third-party retailers, including how some buying groups can have aspects of their operating models that are similar to those of some LVGs.

Product selection by LVGs and some buying groups allow them to obtain larger rebates from manufacturers

11.325 The negotiating power of a FOP or third-party retailer is not based only on the volume of their purchases. For example, negotiating power of FOP or third-party

[1025] Manufacturer [✂] internal document, [✂], [✂].
[1026] Manufacturer [✂] internal document, [✂], [✂].
[1027] As shown in Table 11.10 above.

retailers can be based on the sophistication of procurement practices used as well as the availability of good alternative suppliers of veterinary medicines that can meet their demand.

11.326 The selection of Preferred Products by LVGs and some buying groups is also relevant. The veterinary medicines available to purchase at a given FOP may be influenced by certain medicines being identified as a Preferred Product during the procurement processes, typically where more than one manufacturer offers veterinary medicines that are clinically equivalent.[1028]

11.327 The selection of Preferred Products allows LVGs and buying groups to coordinate the purchases of their FOPs so that they can increase the volume of purchases and the level of rebates agreed with the manufacturer for a given veterinary medicine. By pooling these purchases into one product, rather than spreading them across a range of alternatives, LVGs and buying groups can lower the purchase price paid for these veterinary medicines.[1029]

11.328 Buying groups that select Preferred Products may obtain larger rebates from manufacturers because of the efficiencies this generates for manufacturers when winning or retaining business. For example, a document provided by a manufacturer ([✂]) states that buying groups with Preferred Products reduce or eliminate the need for this manufacturer to invest in promoting its products to members.[1030] In contrast, buying groups without Preferred Products will require this manufacturer to send sales teams to FOPs to influence and discuss the clinical benefits of its products with vets.

11.329 We understand that Preferred Products are selected by LVGs and buying groups only where more than one manufacturer offers veterinary medicines that are clinically equivalent. It therefore does not appear to us that clinical freedom is restricted to any material extent when using veterinary medicines from a list of Preferred Products, particularly where LVGs and buying groups do not prevent their members from purchasing medicines 'off-list'. This means that when a vet deems an alternative medication to be more appropriate than the Preferred Product, the vet can prescribe such an alternative.[1031] The procurement of Preferred Products is therefore an appropriate commercial practice through which LVG FOPs and members of these buying group schemes can obtain lower purchase costs for veterinary medicines from manufacturers.

[1028] As set out in part A, section 11: Veterinary Medicines, subsection Nature of competition.
[1029] In theory, FOPs that are not part of an LVG or a member of a Preferred Product buying group scheme can also take this approach. We have not seen evidence that this is common.
[1030] Manufacturer [✂] internal document, [✂]. A manufacturer told us that it only aggregates volumes and pays rebates centrally for preferred product purchases; practices are individually contracted on purchases of non-preferred products. Note of a call with a manufacturer [✂].
[1031] Some independents told us that they had not joined buying groups with preferred products due to a desire to maintain freedom in the choice of medicines prescribed. Independent FOP RFI responses [✂].

Purchase commitments by LVGs and some buying groups allow them to obtain larger rebates from manufacturers

11.330 While the use of Preferred Products allows businesses to increase the volume of purchases for a given veterinary medicine, they also allow for increased certainty of demand to manufacturers as LVGs and buying groups agree to designate a given medicine as preferred for the length of a contract. By contrast, members of buying groups that do not use Preferred Products spread their purchases across a wider range of products, which means that purchase volumes for a particular product are harder to forecast.

11.331 Evidence from a range of stakeholders suggests that rebates were negotiated based on certainty of demand as well as the volume of purchases and other commercial factors. For example:

11.332 One manufacturer ([✂]) told us that predictability of demand as well as purchase volumes and partnership opportunities are considered when allocating rebates.[1032]

11.333 Another manufacturer ([✂]) told us that buying groups where members adhere to a specific list of brands can offer manufacturers larger volumes and these buying groups are therefore able to negotiate considerably better levels of rebates and obtain lower purchase costs for their members.[1033]

11.334 A buying group ([✂]) explained that using a tender process for a supply agreement which includes guaranteed purchase volumes for its Preferred Product scheme allows it to negotiate better terms for its members.[1034]

11.335 One LVG ([✂]) told us that along with volumes, manufacturers will also consider efficiencies in marketing, education, and the sales process when negotiating rebates with the LVG. It also explained that the level of rebate offered is dependent on the competitive process between manufacturers.[1035]

11.336 Another LVG ([✂]) explained that rebates are negotiated around both historical and expected volumes, which may include considering potential changes in preferred products.[1036]

11.337 A third LVG ([✂]) told us that rebates percentages are not based on actual volumes during the period of agreement but on a realistic level of anticipated purchases.[1037]

[1032] Note of a call with a manufacturer [✂].
[1033] Manufacturer [✂] RFI response, [✂].
[1034] Note of a call with a buying group [✂].
[1035] LVG [✂] RFI2 response, [✂].
[1036] LVG [✂] RFI3 response, [✂].
[1037] LVG [✂] RFI3 response, [✂].

11.338 Buying groups do not restrict the ability of members of their Preferred Product schemes to purchase veterinary medicines 'off-list' and could offer a range of Preferred Products that could be prescribed by a vet to treat the same condition.[1038]

11.339 This flexibility afforded to members of buying groups means that they are inherently less able to ensure compliance with Preferred Products than LVGs. Some LVGs told us that they put additional measures in place to monitor the use of Preferred Products in their FOPs and vets who worked for LVGs reported frictions in ordering medicines that were 'off-list'.[1039] In contrast, the monitoring of Preferred Products by buying groups appears to be relatively weak due to lower visibility and control over the orders made by members.[1040]

11.340 The inherent difference in the business practices of LVGs (where FOPs are more homogenous) and buying groups (where members are more heterogenous) may explain why the Preferred Product schemes of buying groups may not be offered the same level of rebate as LVGs. For example:

11.341 One manufacturer ([✂]) said that buying groups will usually select more Preferred Products per category than the LVGs (around five per category compared to one for the LVGs) given the need to offer a broader selection of products that caters to the different purchasing preferences of their members.[1041]

11.342 One buying group ([✂]) told us it is difficult for buying groups to compete with LVGs as they are 'homogeneous entities', negotiating and buying centrally, whereas buying groups make purchases on behalf of individual members.[1042]

(a) One manufacturer ([✂]) said that, although the specific details of the buying process varied for each customer type, in general LVGs negotiate centrally and buy centrally whereas buying groups negotiate centrally but buy locally, which means that procurement efficiencies may be weaker for buying groups compared to LVGs.[1043]

11.343 However, we have seen some evidence that some buying groups are able to operate in a similar way to the LVGs. For example, a pricing document from a manufacturer ([✂]) sets out purchasing figures and rebates for one buying group ([✂]) [✂].[1044]

11.344 Considering this evidence in the round, we would not expect LVGs and most buying groups to obtain the same level of rebates for a given volume of purchases.

[1038] For example, Note of a call with a buying group [✂]; Buying group RFI responses [✂]; and [✂].
[1039] As set out in part A, section 11: Veterinary Medicines, subsection Nature of competition.
[1040] For example, Buying group RFI responses [✂] and [✂].
[1041] Note of a call with a manufacturer [✂], [✂], [✂].
[1042] [✂].
[1043] Note of a call with a manufacturer [✂].
[1044] Manufacturer [✂] internal document, [✂][✂].

However, evidence that some buying groups are able to operate in similar ways to the LVGs goes some way in explaining why we observe that some buying groups are able to obtain similar rebates to some LVGs.

11.345 Differences in the rebates obtained by different customer types may therefore reflect the ability of LVGs and the Preferred Product schemes offered by buying groups to commit to larger purchase volumes from manufacturers. By comparison, members of non-Preferred Product schemes offered by buying groups or FOPs and third-party retailers who negotiate with manufacturers directly will not be able to obtain larger level of rebates without a mechanism to commit to larger purchase volumes (such as supply agreement negotiated during a tender process).

FOPs may not join buying groups for a variety of reasons but there are no significant barriers to joining

11.346 Data obtained from [✂] shows that purchases of POM-V products by FOPs and third-party retailers not part of an LVG or buying group represented [0-5%] [✂] of the value of sales by manufacturers in 2024.[1045] This suggests, while most FOPs and third-party retailers appear to have joined a buying group, at least a small number of FOPs and third-party retailers have decided not to join a buying group to obtain larger rebates from manufacturers.

11.347 While almost all independent FOPs from which we gathered information as part of our investigation told us that they were members of a buying group,[1046] we have heard a range of reasons why FOPs may choose not to join such a group:

11.348 One independent FOP ([✂]) told us that it was not a member of a buying group as it felt that buying groups distort the market and that they reduce competition.[1047]

11.349 A buying group ([✂]) told us that smaller practices may simply lack awareness of the benefits of joining a buying group.[1048]

(a) One other buying group ([✂]) told us a reason why some FOPs may not join buying groups is that they could be seen as a step towards corporatisation.[1049]

11.350 The costs of joining a buying group may reduce the savings available to FOPs and third-party retailers with small purchase volumes of medicines.[1050] We note in this regard that our analysis of the average rebates obtained by non-Preferred Product schemes operated by buying groups (weighted average of [✂] [20-30%]) were

[1045] CMA analysis of [✂] data.
[1046] For example: Independent FOP RFI responses [✂].
[1047] [✂].
[1048] Note of a call with a buying group [✂].
[1049] Note of a call with a buying group [✂].
[1050] The costs of joining a buying group are set out in part A, section 11: Veterinary Medicines, subsection Nature of competition.

broadly comparable to other FOPs and third-party retailers (weighted average of [✂] [20-30%]).[1051] This means that at least some FOPs could be able to negotiate comparable rebates to some buying group membership schemes directly with manufacturers. Consistent with this, a buying group ([✂]) suggested that larger practices with 20 to 30 sites may be able to obtain better rebates than if they were a member of a buying group by concentrating purchases over an even smaller number of products and manufacturers.[1052]

11.351 Given this evidence, it appears that while a small number of FOPs may choose not to join a buying group, there are no barriers to joining such groups. This includes buying groups with Preferred Products which may help FOPs and third-party retailers achieve similar rebates to some LVGs for some medicines.

[1051] As shown in Table 11.9 above.
[1052] Note of a call with a buying group [✂].

12. Outsourced out-of-hours (OOH) provision to FOPs

Introduction

12.1 All veterinary sites that treat animals during standard opening hours are required to have arrangements for 24-hour emergency cover.[1053] There are two main ways in which this out-of-hours (**OOH**) emergency cover can be provided: either through self-supply by the FOP, or by outsourcing to an OOH provider. The majority of FOPs (80%) outsource OOH provision to another site; this can include outsourcing to OOH providers owned within the same group ('intra-group contracts'). The focus of this section is on contracts for the supply to FOPs of outsourced OOH provision by external OOH providers (ie those not owned within the same group). Evidence gathered from FOPs suggests that 31% of FOPs outsource OOH externally.[1054]

12.2 Pet owners typically pay the OOH provider directly for the treatments their pets receive as and when they use the services, and the majority of pet owners use the OOH provider recommended by their FOP.[1055] FOPs that outsource OOH provision enter into a contract with an OOH provider, often paying a monthly fee. Some contract lengths are fixed for an initial term (such as [✂] months) but most contracts are rolling or open-ended.[1056] Outsourced OOH contracts typically specify a notice period for each of the OOH provider and the FOP in the event either party seeks to terminate the contract. In some cases, the contract will include fees to compensate the OOH provider should the FOP seek to terminate the contract before the end of the notice period ('early termination fees').

12.3 Our analysis indicates that IVC is the largest provider of outsourced OOH provision across the UK with around 60-70% [✂] of FOPs that outsource externally using either IVC's branded OOH service, Vets Now, or an IVC FOP with OOH capacity. The second largest provider [✂] is used by 5-10% [✂] of FOPs that outsource externally, [✂].[1057,1058] These figures exclude intra-group contracts.

12.4 This section focuses on the provision of outsourced OOH services to FOPs (and not on the provision of OOH care direct to pet owners) because we received evidence that certain terms in contracts between FOPs and OOH providers could be restricting competition in outsourced OOH provision. However, any reduction in competition between OOH providers could, in turn, lead to worse outcomes for pet

[1053] RCVS code of professional conduct for veterinary surgeons and supporting guidance.
[1054] The CMA issued an information request (RFI 1, July 2024) to each provider on the RCVS Register..
[1055] Pet owners survey, Q88c.
[1056] Of the contracts we reviewed we saw a small number of contracts with an initial term of [✂] months, and single examples of contracts with [✂] and [✂] year initial terms, the remainder were rolling contracts.
[1057] An LVG [✂] told us that it operates [✂] dedicated OOH sites. LVG response to RFI 1, Q48. [✂].
[1058] [✂] OOH services are provided through [✂]. LVG response to RFI 17, Q11. [✂].

owners and pets in terms of the price and quality (including availability) of OOH care.

12.5 Here we set out:

(a) our provisional assessment of the impact of contract terms relating to notice periods and early termination fees on competition in the supply of outsourced OOH services to FOPs;[1059]

(b) the nature of competition in outsourced OOH provision, including with respect to the legal and regulatory framework, the relative sizes of the main suppliers, the way OOH provision is delivered and paid for, and the degree of local concentration in outsourced OOH provision; and

(c) how FOPs contract with OOH providers – this includes the evidence that supports our provisional assessment of the effect that notice periods and early termination fees have on competition in the supply of OOH provision.

Our provisional assessment

Outsourced OOH provision is inherently concentrated

12.6 OOH provision is used mainly in emergencies when a pet requires overnight or weekend care or treatment. As such, demand in each local area is lower than for daytime veterinary care. OOH care is more expensive to provide due to the uncertain workload and the higher salary rates of veterinary professionals that work outside of normal working hours.

12.7 As a result, there are only a small number (around 356) of sites offering outsourced OOH provision (compared to around 4,500 FOPs), and OOH provision is inherently more concentrated than FOPs.[1060] In some areas there will be a choice of outsourced OOH provider, but in other areas – often less urban ones – concentration is likely to be higher because local demand is not sufficient to support more competitors. This view is supported by responses to our working papers (set out in more detail below). We note that, according to our local concentration analysis, 26% of OOH providers are located in areas where there are at least four competitors providing outsourced OOH services in close proximity to each other, 29% in areas with three competitors, and 25% in areas with two

[1059] We have provisionally defined a separate market for the provision of outsourced OOH to FOPs as set out in part A section 4 Market definition, subsection Product market definition: Supply of outsourced OOH provision to FOPs
[1060] This is an approximate estimate given our analysis is based solely on data from FOPs that responded to our information request. The local concentration analysis for OOH sites is set out in Appendix A - Local concentration analysis and BTEE.

competitors. The remaining 19% of OOH providers are in areas served by only one OOH provider.[1061]

OOH providers require contractual certainty, but onerous contract terms can inhibit competition

12.8 The higher costs of, and lower demand for, OOH provision means that, in order to secure the viability of their business, suppliers of outsourced OOH services are likely to require contractual certainty that secures their continuity of provision and income for a sufficient period of time. This will be reflected in contract terms such as exclusivity clauses, fixed terms, notice periods (both for the FOP and the OOH provider) and early termination fees.

12.9 Such contract terms, and the supply of outsourced OOH provision which they secure, can be in FOPs', pet owners' and their pets' interests because they help ensure reliable access to 24-hour care and give FOPs certainty of supply that meets their regulatory obligations. They also give FOPs time to rearrange provision if they decide to switch OOH provider.

12.10 However, those terms also have the potential to limit competition if notice periods are longer, and early termination fees are higher than is necessary to provide the required certainty. This would make it more difficult for FOPs to switch to a competitor or new entrant.

In a well-functioning market, OOH providers would compete for FOPs' OOH provision, including on prices (to pet owners), quality, and the flexibility of contract terms.

12.11 In a well-functioning market, we would expect outsourced OOH providers to face some competitive pressure from rival OOH providers, either those already in the market or potential entrants, to provide a good level of service to FOPs and pet owners at reasonable prices. We would expect that FOPs could (and would) switch provider (or opt for self-supply if a sufficient client base is available to it) if a good level of service (including availability of appointments) is not delivered, or the OOH prices charged to the FOP's clients are not competitive. There would be competition between suppliers in areas where there is sufficient demand to support more than one OOH provider, or competition from a new entrant to replace an underperforming incumbent, either by offering more competitive prices or a better service. Pet owners would benefit from being able to access quality OOH care at competitive prices.

12.12 In such a market, notice periods and early termination fees would be limited to what is necessary to make OOH services commercially viable. There would be

[1061] The local concentration analysis for OOH sites is set out in Appendix A - Local concentration analysis and BTEE.

competitive pressure on those contract terms, and firms that did not offer attractive terms would risk losing business to competitors. The terms would not be a significant barrier to FOPs switching OOH provider or bringing OOH provision in-house.

OOH providers have the incentive and in some cases the ability to impose onerous contract terms

12.13 From the contract terms we have seen in use in the market, a number provide for long notice periods for FOPs and high early termination fees. OOH providers evidently have a commercial incentive to use such terms. It seems to us that they are likely to be in a strong position to impose them, given the relatively high concentration in outsourced OOH service provision and the limited options available to FOPs in many local areas.

12.14 The risks posed by these onerous contract terms can arise even where FOPs have a choice of outsourced provider. FOPs contract to meet their regulatory obligation to provide 24-hour care for their clients, the majority of which will use the OOH provider recommended by their FOP.[1062] The FOP, as the primary care provider for pets registered with its practice, will seek to ensure that the outsourced OOH provider offers high quality care at reasonable prices and with good availability of appointments. It is clear from the contracts we have reviewed is that some FOPs have entered into contracts with OOH providers with long notice periods and high termination fees. We infer from this that the notice to end the contract or pay early termination fees is not an area that FOPs (those that have made a strategic decision to focus on delivering care during regular hours) have a strong ability or incentive to influence.

12.15 We have seen from our review of OOH contracts that monthly fees to FOPs for outsourced OOH provision range from no fee up to £1,100 per month (where most fell in the range of £75 to £500). Notice periods for FOPs to terminate the contract ranged from short periods to much longer periods ([✂]] to [✂]).[1063] However, only one OOH provider, IVC/Vets Now, has notice periods for some FOPs that are longer than 12 months.[1064]

12.16 We understand that early termination fees are typically calculated by reference to the remaining months in the contractual notice period using some combination of lost monthly fees from the FOP and expected foregone income or profit resulting from the FOP's clients no longer using those OOH services.[1065] In the case of the

[1062] Pet owners survey, Q88c.
[1063] CMA analysis of contracts submitted in response to information requests to FOPs and LVGs. Analysis of local competition, 6 February 2025 ('Local'), paragraph 3.7-3.10; CMA analysis of LVG response to RFI 17, Q46 [✂]; CMA analysis of LVG response to RFI 3, Q29 [✂].
[1064] LVG response to RFI 17, Q46. [✂].
[1065] LVG response to RFI 17, Q11. [✂]. LVG response to RFI 17, Q11. [✂].

foregone client income or profit, the OOH provider would need to provide to the FOP a value of that income or profit foregone based on preceding months. It may be difficult for the FOP to know in advance when contemplating switching provider, how large this element of the termination fee would be.

12.17 We have seen from our review of OOH contracts and other evidence supplied to us by vets, that IVC/Vets Now's contractual terms are more onerous than others in the market. IVC/Vets Now's notice periods for FOPs wishing to terminate a contract for the supply of OOH provision are generally longer than other OOH suppliers: more than half of the notice periods for the contracts we reviewed were longer than 12 months.[1066] Other OOH providers' contracts we reviewed all had notice periods of 12 months or less. We have not seen evidence that longer notice periods are necessary in order to reallocate staff or find alternative sources of income. IVC/Vet's Now's longer notice periods can give rise to more significant early termination fees, in particular the foregone revenue element, which can be substantial when calculated over a longer notice period.

12.18 Both independent and LVG FOPs have entered into contracts with these terms with IVC/Vets Now, including in cases where other FOPs within the same group have entered into less onerous contracts with other OOH providers. For example, [✂][1067,1068] Another LVG [✂] told us that notice periods and contract lengths are often determined by the OOH provider.[1069]

12.19 We have received a number of submissions from LVGs and independent vets highlighting that IVC/Vets Now's contract terms, specifically notice periods greater than 12 months and associated high early termination fees, are inhibiting switching or the entry of new OOH providers to the market. These concerns are summarised towards the end of this Section.

12.20 Our provisional assessment is that IVC/Vets Now's contract terms are more onerous than is necessary to provide the level of certainty required to operate in the market. IVC/Vets Now's notice periods are longer, and in some cases significantly longer, than those of other providers of outsourced OOH services. We have not seen evidence that IVC/Vets Now's longer notice periods are necessary, particularly given that other providers are able to operate successfully in the market without such long notice periods (and the associated high early termination fees). Notice periods in excess of 12 months and corresponding early termination fees that include foregone client revenue in particular appear to go further than is

[1066] LVG response to RFI 17, Q46. [✂].
[1067] LVG [✂] response to the February 2025 working papers, [✂].
[1068] LVG [✂] response to the February 2025 working papers, [✂]. The CMA requested the LVG [✂] to test its OOH contracts for a correlation between local concentration in OOH provision and notice period length. In response, the LVG [✂] stated that no statistically significant relationship was found, hence this did not suggest that FOPs are more likely to accept (or an OOH provider is more likely to impose) longer notice periods in areas where there are fewer other OOH choices.
[1069] LVG response to RFI 3, Q43. [✂].

necessary. Such terms have the potential to prevent FOPs switching OOH provider,[1070] to deter new OOH providers from opening and to have an adverse effect on service quality and price (since those aspects of competition are not disciplined in the way we would expect in a well-functioning market).

12.21 In the sections below we set out the relevant evidence on the issues we have considered in OOH provision. This evidence supports our provisional assessment of these issues.

Nature of competition

The legal and regulatory framework requires 24-hour emergency cover

12.22 Under the RCVS Code of Professional Conduct (the **Code**) and the Supporting Guidance (the **Guidance**), veterinary surgeons have professional responsibilities requiring them to provide 24-hour emergency cover to pets under their care.[1071] This requirement applies to all practising vets, including those working in FOPs, charitable veterinary practices, neutering and vaccination clinics, teaching sites, and referral centres.

12.23 Veterinary sites can arrange their OOH provision in a number of ways, including:

(a) Providing OOH care at their site, by existing staff that do a mix of standard hours and OOH shifts;

(b) Providing OOH care at their site using specific OOH staff; or

(c) Outsourcing OOH provision to another provider.

12.24 OOH suppliers may operate from their own dedicated site, or may operate from a FOP's premises and pay rent to the host FOP for the use of these facilities.

The majority of FOPs outsource OOH provision to another site

12.25 Our data suggests that the majority of FOPs (80%) outsource OOH provision to another site (either a specialist OOH provider, or another FOP). This includes FOPs that outsource to other sites within the same group.[1072] The percentage of FOPs that outsource OOH provision to another site or provider is higher for LVGs (78% to 98%) than for independent FOPs (58%).[1073]

[1070] Or moving their provision in-house.
[1071] RCVS code of professional conduct for veterinary surgeons and supporting guidance.
[1072] The CMA issued an information request (RFI 1, July 2024) to each provider on the RCVS Register.
[1073] These are approximate estimates as not all small animal FOPs and mixed practices responded to our information requests and the estimates are the same as those set in our working paper on Analysis of local competition (published in February 2025). Some responses to this working paper indicated that minor amendments to our estimates could be made. Given that our estimates are approximate, we have not made such minor amendments. Analysis of 3,704 FOP

12.26 We have been told by a number of vets and an LVG that outsourcing to dedicated OOH providers has resulted in better provision of emergency care because dedicated providers are able to specialise in this service, and it protects the wellbeing of FOP vets who can avoid being on call after working hours in addition to their daytime work.[1074] It has also lowered barriers to entry for new entrant FOPs given they can outsource their OOH rather than have to set up their own provision when first starting up.

The majority of pet owners use the OOH provider suggested by their FOP

12.27 Where a FOP chooses to outsource OOH provision, it will enter into an arrangement with a third-party provider and direct its clients there when the FOP is closed, commonly through an automated telephone message, or by putting the details on the FOP's website. Our pet owners survey found that over 70% of pet owners follow the direction of their FOP when seeking OOH care, whereas 19% found an OOH provider 'through their own search'.[1075]

12.28 Some of the OOH caseload may come from pet owners whose FOP is not partnered with the OOH provider, since pet owners are not obliged to use the OOH provider with which their FOP contracts. One OOH provider [✂] also provides services directly to pet owners, by allowing pet owners to access care even if the clients' daytime clinic is not a registered partner practice.[1076] It told us that nearly [✂]% of its OOH caseload came from such pet owners (which is consistent with the share of respondents to our pet owners survey who conducted their own search for OOH care).[1077]

Some FOPs pay a monthly fee for their outsourced OOH provision and these fees vary significantly; costs and prices for OOH services are higher than in FOPs

12.29 Often a FOP will pay a fee to its OOH provider. We have seen that there is significant variation in the level of these, with monthly fees ranging from £75 to over £1,100 (excluding VAT), although some FOPs did not pay any monthly fee. In some cases, contracts include additional fees, for instance for providing cover on a bank holiday.[1078]

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responses to the information request issued to all FOPs on the RCVS register. We set out the methodology in paragraphs 2.8-2.17 of our working paper. Analysis of local competition, 6 February 2025 ('Local'), paragraphs 2.8-2.17.
[1074] For example, LVG [✂] response to the February 2025 working papers, [✂].
[1075] The remaining responses either provided no detail or stated other reasons such as using the OOH service recommended by friends or family or their insurance provider. These percentages relate to all those pet owners that went to a different vet to their usual vet for OOH care. Pet owners survey, Q88c.
[1076] For example, by allowing pet owners to search for an emergency vet on their website, and get advice from the centralised call centre. LVG response to RFI 20, Q7. [✂].
[1077] The OOH provider [✂] refers to this competitive constraint as the 'B2C constraint'. LVG [✂] response to the February 2025 working papers, [✂].
[1078] LVG response to RFI 3, Q43. [✂].

12.30 As to the costs of providing OOH services, and the prices charged to pet owners, one LVG [✂] told us that a practice would require a dedicated night team, which significantly adds to payroll costs.[1079] OOH salaries can be [60%] more than those for vet professionals at FOPs operating in regular hours, to compensate for working at antisocial times.[1080] Another LVG [✂] told us that OOH shifts.[1081] As a result, costs to deliver services such as consultations and surgical procedures can be [✂]% higher when provided outside regular working hours.[1082]

IVC accounts for the majority of outsourced OOH provision supplied to FOPs in the UK

12.31 Our analysis indicates there are around 356 sites providing outsourced OOH services in the UK, compared to around 4,500 FOPs.[1083]

12.32 Our analysis indicates that IVC is the largest provider of outsourced OOH provision across the UK providing services to around [60-70%] [✂] of FOPs that outsource to external providers. IVC does this using its branded OOH service, Vets Now, or an IVC FOP with OOH capacity. The second largest provider [✂] has contracts with [5-10%] [✂] of FOPs, with most of its [✂] OOH services operating [✂].[1084,1085] Other large providers including [✂] and [✂] are each used by [5-10%] [✂] of FOPs that outsource to external OOH providers, while [0-5%] [✂] use [✂]. The remaining 10% of FOPs are serviced by vet groups and independent providers.[1086] These figures exclude intra-group contracts (where OOH providers supply to FOPs within their own corporate groups).

12.33 The percentage of FOPs outsourcing to the various OOH providers is set out below in Table 12.1.

Table 12.1: Percentage of FOPs outsourcing OOH provision, by OOH provider, excluding those FOPs outsourcing intra-group[1087]

OOH Provider	*Percentage of FOPs*
[✂]	[60-70%]
[✂]	[5-10%]
[✂]	[5-10%]
[✂]	[5-10%]
[✂]	[0-5%]
[✂]	[0-5%]

[1079] LVG response to RFI 7, Q10. [✂].
[1080] LVG [✂] response to the February 2025 working papers, [✂].
[1081] LVG response to RFI 7, Q10. [✂].
[1082] LVG response to RFI 17, Q11. [✂].
[1083] Based on CMA analysis of responses to the information request the CMA issued to each provider on the RCVS Register through RFI 1, July 2024.
[1084] An LVG [✂] told us that it operates [✂] dedicated OOH sites. LVG response to RFI 1, Q48. [✂].
[1085] [✂] OOH services are provided through [✂]. LVG response to RFI 17, Q11. [✂].
[1086] Percentage shares are based on CMA analysis of responses to the information request the CMA issued to each provider on the RCVS Register through RFI 1, July 2024.
[1087] The CMA issued an information request (RFI 1, July 2024) to each provider on the RCVS Register.

[✂]	[10-20%]
Total	**100%**

Source: CMA analysis of data responses collated through RFI 1.
Notes:

1. *The table contains analysis based on responses received from small animal FOPs and mixed practices.*
2. *The table includes FOPs that provide OOH care offsite to another OOH care provider that is not part of the same group.*
3. *The table presents approximate estimates as not all small animal FOPs and mixed practices responded to our information requests and the estimates are the same as those set out in Table 3.1 of our working paper on Analysis of local competition (published in February 2025). Some responses to this working paper indicated that minor amendments to our estimates could be made. Given that our estimates are approximate, we have not made such minor amendments.*

Generally, FOPs that outsource their OOH provision have a choice of provider, though some local areas have limited options

12.34 As explained in part A, section 6 Consolidation, concentration and commercialisation, subsection Consolidation and concentration: Local concentration analysis: OOH services, our provisional assessment of competition in local areas shows that 26% of OOH providers are located in areas where there are at least four competitors in close proximity to each other, compared to 29% in areas with three competitors, and 25% in areas with two competitors. The remaining 19% of OOH providers are in areas served by only one OOH provider.[1088]

12.35 In their responses to our working papers, CVS and VetPartners submitted that OOH providers compete with FOPs that currently self-supply or that could begin doing so.[1089] On that basis, they said that our catchment analysis could underestimate the competitive constraints on individual OOH sites. However, as we note above and in line with our market definition for outsourced OOH services, our provisional assessment is that, due to the high cost of providing OOH care, the difficulty in recruiting qualified staff willing to work unsociable hours, and the uncertain demand, self-supply is likely to operate as only a weak constraint on outsourced OOH provision.

12.36 One LVG [✂] told us that a practice providing OOH cover would need at least eight or nine feeder practices to be viable, and 15 would be 'ideal'.[1090] Other respondents to our working papers told us that a number of areas do not have enough demand to support multiple providers.[1091] Some submissions have

[1088] The local concentration analysis for OOH sites is set out in Appendix A - Local concentration analysis and BTEE. These OOH concentration estimates are approximate as not all small animal FOPs and mixed practices responded to our information requests, which we used to identify OOH sites. These estimates are the same as those set out in Table 3.4 of our working paper on Analysis of local competition (published in February 2025). Some responses to this working paper indicated that minor amendments to our estimates could be made. Given that our estimates are approximate, we have not made such minor amendments.
[1089] CVS response to the February 2025 working papers, 21 March 2025, section 4.1. VetPartners response to the 'Analysis of local competition' working paper, 21 March 2025, paragraph 5.5.
[1090] LVG response to RFI 7, Q10. [✂].
[1091] For example Respondent 11 [✂] and BVA, BSAVA, BVNA, SPVS and VMG responses to Remedies Working Paper

highlighted the fragility of the OOH market, referring to labour shortages as well as insufficient demand in local areas.[1092]

How FOPs contract with OOH providers

12.37 We reviewed a range of externally outsourced OOH contracts including 100 randomly sampled contracts from two providers. Specifically, in response to an information request, IVC submitted the key contract terms for a random sample of 100 Vets Now contracts ([✂]).[1093,1094] We also reviewed a random sample of 100 OOH contracts to external FOPs from the second largest provider [✂] from around 190 it submitted in response to an information request.[1095,1096,1097]

Contract length, exclusivity and fees

12.38 We found across all the contracts we reviewed, including those randomly sampled, that contracts are generally rolling although some have an initial term, typically of [✂].[1098] Two LVGs [✂] and [✂] told us that fees, the length of contracts and notice periods vary by OOH provider, and even vary within the same OOH provider at different locations.[1099] One LVG [✂] noted that contract fees with one OOH provider [✂] have been historically locally determined but that new OOH contracts are now offered with a consistent fee of [✂] per month] across locations.[1100] One LVG [✂] told us that notice periods and contract lengths are often determined by the OOH provider.[1101]

12.39 The vast majority of contracts we reviewed included an exclusivity clause, under which the relevant FOP undertakes to direct its clients to the specified OOH provider only unless the latter consents to the FOP directing them elsewhere.[1102,1103] In some instances, FOPs are able to direct their customers to

[1092] For example BVA, BSAVA, BVNA, SPVS and VMG, and Blue Cross responses to Remedies Working Paper
[1093] LVG response to RFI 17. [✂]. The LVG [✂] constructed a random sample from its central contract database by selecting the contract for every third and tenth FOP partner practice until a sample of 100 was collected.
[1094] IVC told us that where IVC FOPs have chosen to outsource OOH services to Vets Now, [✂]. LVG response to RFI 3, Q43. [✂]. We found that [✂].
[1095] [✂] OOH services are provided through [✂]. LVG response to RFI 17, Q11. [✂].
[1096] LVG response to RFI 3, Q29. [✂]. The LVG [✂] told us the contracts were selected using a manual review of documents held by members of Senior Management.
[1097] 4/100 contracts sampled had no specified notice period or were incomplete.
[1098] For example, OOH provider [✂] contracts with Vets4Pets in [✂], [✂], [✂] and [✂], and [✂]. LVG response to RFI 17, Q46. [✂].
[1099] LVG response to RFI 3, Q43. [✂]. LVG response to RFI 3, Q43. [✂].
[1100] LVG response to RFI 3, Q43. [✂].
[1101] LVG response to RFI 3, Q43. [✂].
[1102] Pets at Home stated that they often require a local exclusivity provision to give reasonable certainty and scale to an uncertain caseload. Pets at Home response to the Remedies Working Paper, paragraph 4.1.
[1103] For example, one of the LVG-owned FOPs contracts with another LVG-owned OOH provider, [✂], [✂], [✂], [✂], [✂] ,[✂]. LVG response to RFI 3, internal document,. [✂] LVG response to RFI 3, internal document. [✂]. LVG response to RFI 3, internal document. [✂].

two different sites operated by the same OOH provider.[1104] Two LVGs that provide externally sourced OOH care told us that [✂], with one [✂] and the other [✂].[1105]

12.40 LVGs [✂], [✂] told us that in some cases [✂].[1106] [✂].[1107] The level of fees paid by FOPs to OOH providers can, as we describe above, vary considerably, with those in the contracts we sampled ranging from no fee to £1,100 (excluding VAT) per month, although most were between £75 and £500.[1108]

Notice periods

12.41 Notice to terminate the contract can be given either by the OOH provider to the FOP or by the FOP to the OOH provider. In the majority of contracts we reviewed, these notice periods were asymmetric, with longer notice periods for the FOP to terminate the contract. The notice periods were the same for the FOP and OOH provider in approximately 18% [✂] of contracts, but in almost all of the remainder [✂], the notice period to terminate the contact was longer for the FOP than the OOH provider.

Notice periods when OOH providers wish to terminate the contract

12.42 Of the contracts we reviewed, the notice periods for the OOH provider to terminate the contract ranged from a short period ([✂] months) to a longer period ([✂] months). For the largest provider [✂], the notice periods for the OOH provider to terminate the contract did not exceed 12 months, and the vast majority were substantially shorter. [✂].[1109] For the second largest provider [✂], the vast majority of contracts had notice periods for OOH providers to terminate contract with FOPs of [✂] months [✂], with the remainder having either short or longer notice periods of [✂]and [✂].[1110]

Table 12.2: Notice periods for OOH providers to terminate OOH contracts

Notice period	*[✂]*	*%*	*[✂]*	*%*
[✂] months or fewer	[✂]	[0-5%]	[✂]	[✂]
[✂] months	[✂]	[80-90%]	[✂]	[✂]
[✂] months	[✂]	[0-10%]	[✂]	[✂]
Total	**62**	**100%**	**96**	**100%**

[1104] For example, LVG contracts with [✂]. LVG response to RFI 3 [✂]. LVG response to RFI 3, internal document. [✂]. LVG response to RFI 3, internal document. [✂].
[1105] LVG response to RFI 17, Q13. [✂]. LVG response to RFI 17, Q11. [✂].
[1106] LVG response to RFI 1, Q49. [✂]. LVG response to RFI 17, Q11. [✂].
[1107] LVG response to RFI 17, Q11. [✂]. LVG response to RFI 17, Q11. [✂].
[1108] We did also see some contracts outside of this sample with prices ranging from £100 to over £1,100 (excluding VAT). Analysis of local competition, 6 February 2025 ('Local'), paragraph 3.8. Some of these contracts had additional fees, for instance for providing cover on bank holidays. For example, LVG contract with [✂]. LVG response to RFI 3, internal document. [✂]. Other contracts from independent OOH providers did not charge a fee to FOPs and instead generate all their revenue directly from the provision of care to customers. Independent response to RFI 1 of [✂]. Independent response to RFI 1 [✂]. Independent response to RFI 1 of [✂]. Independent response to RFI 1 [✂].
[1109] Excluding intra-group contracts. LVG response to RFI 17, Q46. [✂].
[1110] 4/100 contracts sampled had no specified notice period or were incomplete.

Source: CMA analysis of data responses collated through RFIs.[1111]
Notes: The table contains analysis based on FOP contracts with OOH providers that are not part of the same group.

12.43 Of the contracts we reviewed, the notice periods for the OOH provider to terminate the contract did not exceed 12 months, and the vast majority were substantially shorter: specifically ranging from a short period ([✂] months) to a longer period ([✂] months). These notice periods are based on market standards and previous experience of how long it takes the FOP to find an alternative OOH provider and/or recruit new staff to their practice for OOH provision.[1112] [✂] also told us that [✂].[1113]

Notice periods when FOPs wish to terminate the contract

12.44 Our review of OOH contracts and other evidence from FOPs is that IVC/Vets Now use longer notice periods for FOPs to terminate contracts than other OOH providers. A significant proportion of IVC/Vets Now contracts have long notice periods ([✂] months or longer).

12.45 As shown in Table 12.3 below, the majority [✂][1114] of IVC/Vets Now contracts we reviewed have a long notice period of [✂] for the FOP to terminate the contract with IVC/Vets Now, whereas the second largest OOH provider [✂] had no contracts with notice periods longer than 12 months. The majority [✂] of [✂] notice periods for FOPs were 12 months and a minority [✂] were six months or less.[1115] Outside of the sample of contracts we reviewed, we were also told about one FOP contract with [✂] that has a significantly longer [✂] notice period.[1116] Contracts for other providers that we reviewed did not have notice periods of longer than 12 months.[1117]

Table 12.3: Notice periods for FOPs to terminate OOH contracts

Notice period	*[✂]*	*%*	*[✂]*	*%*
[✂] months or fewer	[✂]	[✂] [0-5%]	[✂]	[✂]
[✂] months	[✂]	[✂] [0-5%]	[✂]	[✂]
[✂] months	[✂]	[✂] [40-50%]	[✂]	[✂]
[✂] months	[✂]	[✂] [0-5%]	[✂]	[✂]
[✂] months	[✂]	[✂] [40-50%]	[✂]	[✂]
[✂] months	[✂]	[✂] [0-5%]	[✂]	[✂]
Total	**[62]**	**100%**	**[96]**	**100%**

Source: CMA analysis of data responses collated through RFIs.[1118]

[1111] LVG response to RFI 3, Q29. [✂]. LVG response to RFI 17, Q46. [✂].
[1112] LVG response to RFI 17, Q11. [✂]. LVG response to RFI 17, Q11. [✂].
[1113] LVG response to RFI 17, Q11. [✂].
[1114] Percentages in Table 12.3 sum to [✂] [(not [✂])] due to rounding.
[1115] 4/100 contracts sampled had no specified notice period or were incomplete.
[1116] [✂] response to our Remedies Working paper told us that it has a [✂] notice period with [✂]. [✂] however told us to the best of its knowledge it does not have any notice periods of this length in its contracts with partner practices.
[1117] Analysis of local competition, 6 February 2025 ('Local'), paragraphs 3.10.
[1118] LVG response to RFI 3, Q29. [✂]. LVG response to RFI 17, Q46. [✂].

Notes: The table contains analysis based on FOP contracts with OOH providers that are not part of the same group.

12.46 Other evidence from FOPs supports the findings of our review. One LVG [✂].[1119] It said that many of the contracts it has with other, [✂].[1120] Similarly, another LVG [✂] has told us that recent contracts with a smaller OOH provider [✂] included notice periods of only 90 days for both parties.[1121]

12.47 An outsourced OOH provider [✂] told us that longer notice periods (for FOPs to terminate the contract) of [✂] months are necessary to give OOH providers predictability of levels of demand in local areas in order to manage arrangements with the host practice and maintain staff levels, and to source alternative FOP clients, in the event that an OOH contract ends.[1122] It told us that monthly fees for partner practices with a longer termination notice period are generally lower than for those with a shorter notice period, as a longer notice period provides greater stability to the OOH provider, although such a correlation was not clear in the sample of contracts we reviewed.[1123]

12.48 The second largest provider [✂] by contrast told us that it has never used notice periods of longer than 12 months, a figure it said was based on market standards and its own experience of how long it would take to reassess and reallocate staffing needs and source alternative FOP clients where a contract ends.[1124,1125]

12.49 The [✂] provider of outsourced OOH [✂] said that notice periods for FOPs of six months or less would provide too little time to find alternative sources of income to allow the OOH sites to continue to be financially viable.[1126] The second largest provider [✂] said that six months of less would provide too little time for some of its OOH offerings to find alternative sources of income to allow the OOH sites to continue to be financially viable.[1127]

12.50 Some respondents to our working papers noted that certain contract terms were necessary to ensure that providers have the certainty required to manage their business.[1128] For example, one respondent cited the need to have long enough notice to have a consultation process around redundancies and that early

[1119] The remaining contracts have a notice period [✂]. LVG response to RFI 3, Q29. [✂].
[1120] LVG [✂] response to the February 2025 working papers, [✂].
[1121] LVG response to RFI 3, Q43. [✂].
[1122] LVG response to RFI 17, Q11. [✂].
[1123] LVG response to RFI 17, Q11. [✂].
[1124] LVG response to RFI 17, Q11. [✂].
[1125] One LVG [✂] told us onboarding a new FOP may take 12-18 months or longer depending on the notice period with their existing OOH provider. If unsuccessful, this would be followed by 6-12 months of scaling down the site or adjusting staffing levels. LVG response to RFI 17, Q12. [✂].
[1126] LVG response to RFI 17, Q11. [✂].
[1127] LVG response to RFI 17, Q11. [✂].
[1128] For example British Veterinary Union, [✂] and Scottish SPCA responses to Remedies Working Paper

termination fees should cover employee salaries.[1129] However, only one response suggested that notice periods greater than 12 months were necessary.[1130]

12.51 Our provisional view, having reviewed a number of outsourced OOH contracts and other evidence from both LVGs and independent FOPs, is that up to a 12 month notice period for FOPs to terminate OOH contracts with outsourced OOH providers may be necessary to reallocate staff and find alternative sources of income. We have not seen good evidence that longer notice periods are necessary. We observe that the two largest OOH providers are able to operate their OOH businesses in a number of cases using contracts containing notice periods of 12 months or less (and exclusively so in the case of one of the LVGs [✂]). We also observe that OOH providers can, and do, seek pet owner clients outside the outsourced relationships they have with FOPs. In one LVG's case [✂], nearly [✂] of its OOH business comes from such sources, indicating it has additional sources of revenue that do not depend on having long (or any) notice periods.[1131] This, to an extent, counters the need to have such long notice periods for FOPs that contract with it [✂] for outsourced OOH provision.

Early termination fees

12.52 Of the two largest suppliers of outsourced OOH [✂] and [✂] contracts we reviewed, the majority either specified an early termination fee or included provisions for claiming damages in case of early termination.[1132,1133] These are fees charged by the OOH provider to compensate it for a FOP exiting the contract before the end of the FOP's notice period.

12.53 We understand that early termination fees are typically calculated by reference to the remaining months in the contractual notice period using some combination of expected lost income or profit resulting from the FOP's clients no longer using those OOH services, and lost monthly fees from the FOP.[1134] Where notice periods are long (12 months or greater), early termination fees for FOPs will be significant, and are likely to make it difficult for a FOP to switch provider.

12.54 The largest provider [✂] told us that [✂].[1135] We note, however, that the majority of the contracts we sampled for this LVG [✂] did specify such fees.

12.55 The second largest provider [✂] told us that it does not charge early termination fees to external FOPs, though it reserves the right to claim any lost profits due to a

[1129] Respondent 5 [✂] response to Remedies Working Paper. [✂].
[1130] Independent [✂] response to Remedies Working Paper [✂].
[1131] LVG [✂] response to the February 2025 working papers, [✂].
[1132] Excluding intra-group. CMA analysis of contracts provided in LVG response to RFI 3, Q29. [✂]. LVG response to RFI 17, Q46. [✂].
[1133] One supplier of outsourced OOH [✂] has stated that it has never claimed such damages in practice. LVG response to RFI 3, Q43. [✂].
[1134] LVG response to RFI 17, Q13. [✂]. LVG response to RFI 17, Q11. [✂].
[1135] LVG response to RFI 17, Q13. [✂].

breach of the exclusivity clause or the notice period provisions. It told us that in practice it has never claimed damages for early termination.[1136] We note, nonetheless, that whether they are enforced or not, the stipulation of early termination fees in a contract may still have an impact on a FOP's propensity (and ability) to switch.

Low rates of switching by FOPs of outsourced OOH providers

12.56 Only small numbers of FOPs appear to switch OOH provider. The two largest outsourced providers both had a relatively low number of FOPs either terminating or switching provider in the most recent year for which we have data (2024):

(a) The [✂] provider [✂][1137] told us that [✂] OOH service arrangements with FOPs ended in that year, while [✂] FOPs submitted termination notices to switch provider upon completion of their contract term or an earlier agreed date. As of April 2025, when the CMA collected this information, of those [✂] FOPs, [✂] have now switched and [✂] are due to leave at a future date.[1138]

(b) The [✂] largest provider[1139] [✂] told us that [✂] OOH service arrangements with FOPs ended in 2024. The reasons included site closure, the OOH provider [✂] terminating a contract, and the FOP requiring only short-term services to cover staff shortages.[1140,1141]

12.57 In the following paragraphs, we consider evidence we have received in response to our working papers regarding contractual barriers and whether they have contributed to low rates of switching by FOPs of outsourced OOH provider.

Views on the effects of contract terms on competition in the supply of outsourced OOH provision

12.58 In response to our Remedies Working Paper we received around 94 responses about the provision of OOH services. Some of these noted that availability of vets to work outside of normal hours was the main barrier to entry in OOH provision. Others expressed views that onerous contract terms were limiting FOPs' ability to switch OOH provider.

[1136] LVG response to RFI 17, Q11. [✂].
[1137] As reported in Table 12.1 above the largest supplier provides outsourced OOH provision to 700-800 [✂]. FOPs.
[1138] [✂]. LVG response to RFI 17, Q15. [✂].
[1139] As reported in Table 12.1 above [✂].
[1140] Our local concentration analysis indicated [✂].
[1141] LVG response to RFI 17, Q15. [✂].

Some vets raised concerns about the challenges of outsourced OOH provision and the difficulty in recruiting vets to work outside of normal hours

12.59 Over a quarter of responses highlighted the challenges of providing OOH care, particularly in rural areas. Some respondents stated that the market was increasingly fragile.[1142] Others noted the increasing difficulty in finding staff willing to work unsociable hours, stating that even if it were easier for FOPs to terminate outsourced OOH contracts, there might still not be significant entry into the market by alternative providers due mainly to the difficulty in recruiting vets to work outside normal working hours.[1143]

A range of vets raised concerns that contract terms were restricting competition in outsourced OOH provision including difficulties switching in response to poor service quality

12.60 We did not receive widespread concerns about contract terms reducing the rate at which FOPs switched outsourced OOH providers. However, some parties' submissions did indicate that, in some cases, long notice periods and high early termination fees were acting as a barrier to switching or new entry. These submissions demonstrate the potential for unnecessarily long periods and high fees to restrict competition.

12.61 Almost a fifth of responses referred to contract terms restricting competition.[1144] Three of these responses highlighted difficulties FOPs have experienced as a result of onerous contract terms;[1145] 12 others highlighted more general concerns about contract terms restricting competition without providing specific examples.[1146] Two independent OOH providers also noted their direct experience of onerous contract terms.

(a) One independent OOH provider noted that it had been approached by FOPs wishing to refer their clients for OOH treatment but were unable to do so due to exclusivity clauses with their existing provider. This respondent, which offers OOH contracts without exclusivity requirements, considered that exclusivity terms were restricting competition and preventing freedom of choice for pet owners.[1147]

[1142] [✂], XL Vets, and Respondent 27 [✂] responses to Remedies Working Paper
[1143] BVA, BSAVA, BVNA, SPVS and VMG, Respondent 18 [✂], PDSA, Blue Cross responses to Remedies Working Paper.
[1144] For example, Thrums Vets, [✂], Merlin Vet-Cel, Respondent 12 [✂], Respondent 26 [✂], Animal Trust, [✂], Aidos advisory Ltd and, Respondent 9 [✂], Pennard Vets responses to Remedies Working Paper.
[1145] For example, Respondent 9 [✂], [✂] responses to Remedies Working Paper.
[1146] For example, Respondent 28 [✂], Merlin Vet-Cel, Respondent 12 [✂], Respondent 26 [✂], Animal Trust, [✂] responses to the Remedies Working Paper.
[1147] Pennard Vets response to the Remedies Working Paper. [✂].

(b) A second independent OOH provider noted that 24-month rolling contracts were a barrier preventing FOPs from switching OOH provider, along with early termination fees, giving an example of a group of [✂] practices that had been quoted [✂] (an average of [✂] per FOP) to exit their OOH contracts with [✂].[1148]

12.62 An independent FOP told us that 12-36 month contracts along with exclusivity clauses and financial penalties had made it impossible for a potential OOH provider to enter a local market, noting that potential market 'disruptors' could not therefore afford to open.[1149] Another said its current [✂] contract was undoubtedly a barrier to new entrants to local OOH provision (and recognised that there were currently no other OOH providers in the local area to switch to).[1150]

12.63 Two independent vet groups, one of which was seeking to self-supply, told us that their OOH provider [✂] actively enforces termination clauses requiring termination fees ranging between [✂] to exit their OOH contracts with this provider.[1151,1152]

12.64 An LVG [✂] told us that termination fees in contracts with the largest provider [✂] were prohibitive to switching, citing [✂]. The LVG told us that long OOH contracts and punitive early termination fees prevent FOPs from switching provider if there are signs of poor quality, or when a new OOH provider enters the market and offers more attractive provision.[1153]

12.65 Another concern was about the quality of OOH services, in particular, unexpected temporary closures of OOH sites, which meant clients (and pets) had to travel further for emergency treatment or find an alternative provider.[1154, ,1155] FOPs were concerned that lengthy contracts had prevented them from switching OOH provider despite receiving a lower-quality service.[1156,1157] One FOP suggested there should be an immediate break clause if the OOH provider could not service the clients from the contracted location.[1158]

[1148] Independent [✂] response to the Remedies Working Paper. [✂].
[1149] Independent [✂] response to the Remedies Working Paper. [✂].
[1150] [✂] response to Remedies Working Paper told us that it has a [✂] notice period with [✂].
[1151] Independent [✂] response to Remedies Working Paper [✂].
[1152] Independent [✂] submission, 4 March 2025. [✂].
[1153] LVG [✂] response to the February 2025 working papers, [✂].
[1154] Independent [✂] response to Remedies Working Paper
[1155] Independent [✂] response to Remedies Working Paper.
[1156] Respondent 9 [✂] response to Remedies Working Paper. [✂].
[1157] [✂] response to Remedies Working Paper. [✂].
[1158] Respondent 9 [✂] response to Remedies Working Paper. [✂].

13. Cremations

13.1 Most pet owners choose to cremate their pet at the end of its life (67%, according to our pet owners survey).[1159] A substantial minority of pet owners choose to bury their pet themselves (27%, according to our pet owners survey). This chapter focuses on pet owners who choose to buy a cremation service, whether from a FOP or elsewhere.

13.2 Cremations are an important service for many pet owners, which they receive at what is typically an emotionally distressing time. Cremations can represent a significant cost to pet owners – they can cost £300 or more, with extras such as urns and paw prints sold as add-ons to this base price. In 2023/24, LVGs sold around 400,000 cremations to pet owners[1160] and earned £68 million from the sale of cremations and euthanasia services, representing around 3% of their total FOP revenues.[1161]

13.3 Cremations are generally carried out by a specialist crematorium. Some pet owners purchase a cremation directly from a crematorium, but most buy it from their FOP, which will have an arrangement with a crematorium. We have focused our provisional assessment on the role of FOPs as the main retail providers of cremations.

13.4 We have considered the prices at which FOPs sell cremations (retail prices) and compared these to the costs that they incur in the provision of cremation services (wholesale prices and other costs). We have also considered the information available to pet owners and the ways in which they make decisions about cremations, to understand the competitive constraints faced by FOPs.

Our provisional assessment

13.5 Decisions about cremations occur in emotional and distressing situations for pet owners. Where, as is often the case, a decision about a cremation is made alongside a decision to euthanise, pet owners may feel that they need to make decisions urgently. In these circumstances, many (although not all) pet owners are likely to find it more convenient and less stressful to buy a cremation directly from their FOP. As we would expect given these circumstances, evidence from our pet owners survey indicated that most pet owners (78%) bought a cremation directly from their FOP or OOH provider or based on their FOP or OOH providers'

[1159] Pet owners survey, Q103. Question asked of those respondents who had a pet that died in the last two years. 27% said their pet was buried at home and 2% said their pet was buried elsewhere through a company that delivered pet burial services. The remaining 5% responded 'other' or 'don't remember'
[1160] CMA analysis of LVG responses to RFI8, Q9.
[1161] CMA analysis based on information supplied by LVGs.

recommendation,[1162] and the vast majority of pet owners (89%) did not compare between different providers.[1163]

13.6 Cremation prices vary significantly by the type of cremation and the weight of the pet. In particular, so-called 'communal' cremations are much cheaper than individual cremations. In a communal cremation, a number of different animals are cremated together, and no ashes are returned to the owner. In a certified individual cremation, each animal is cremated individually, and the ashes are generally returned to the pet owner.

13.7 In order to understand whether consumers might be overpaying for cremations, we asked for information from LVGs on their retail cremation prices, the wholesale prices that they pay to crematoria, and the other costs that their FOPs incur in selling cremations. We focused particularly on LVGs given the availability of comparable pricing and cost information, which was difficult to obtain from a significant and representative sample of independents.[1164] In response to our questions:

(a) All LVGs provided retail price data, although records may not necessarily reflect the price of the standalone cremation service since FOPs generally provide these in a bundle with add-on services and products (such as urns, caskets and keepsakes like paw prints or fur clippings). This means that we are unable to compare effectively between LVG retail prices, particularly for individual cremations.

(b) Four out of six LVGs ([✂], [✂], [✂] and [✂]) provided wholesale price data, enabling us to approximate the mark-ups that these LVGs apply when selling retail cremations.

(c) Four out of six LVGs ([✂], [✂], [✂] and [✂]) provided estimates of the average costs that they incur in selling cremations, although all LVGs submitted that they do not collect systematic data on these costs,[1165] and some LVGs submitted that, because FOPs offer a range of inherently integrated services in which facilities and consumables are used for a variety of purposes, they do not evaluate the costs of providing individual services on a standalone basis.[1166]

[1162] Pet owners survey, Q104. Of pet owners that bought a cremation service in the last two years, 64% purchased it from their FOP, 8% purchased it from their OOH practice, and 6% chose it based on their FOP or OOH practice's recommendation.
[1163] Pet owners survey, Q106.
[1164] We have no reason to think that the staff costs incurred by FOPs to retail cremations (ie professionals' time) is likely to be very different for independents compared to LVGs.
[1165] CVS response to RFI17, Q40, paragraph 117; IVC response to RFI17, Q40, paragraph 40.8; Linnaeus response to RFI17, Q40, paragraph 40.7; Medivet response to RFI17, Q40, page 19; Peta at Home response to RFI17, Q40, paragraph 40.1; VetPartners response to RFI17, Q40, paragraphs 40.1 and 40.11.
[1166] LVG responses to RFI17, Q40 [✂][✂][✂]

13.8 These data limitations mean that it was not possible to precisely calculate the mark-ups that LVGs earn on cremations or to make clear comparisons between LVGs. However, our provisional view is that the analysis is sufficiently robust to indicate that a substantial proportion of veterinary businesses make significant mark-ups on individual cremations.

13.9 The average costs that FOPs incur to sell an individual cremation (excluding the wholesale price they pay to crematoria) are significantly smaller than these average mark-ups, for each of the four LVGs for whom we could estimate mark-ups (which together own over half of the FOPs in the UK). This means that consumers may be paying in the order of an extra £100 for individual cremations at a substantial number of FOPs, compared to the prices they would pay if FOPs faced strong price competition. While this estimate is uncertain, we consider it is a helpful indicator. The size of the gap between LVG mark-ups on wholesale cremation costs and other (average) costs suggests that, even accounting for imperfections in the data, the prices pet owners pay are significantly higher than would be the case if competition were working well.

13.10 The distressing circumstances in which decisions about cremations are made mean that most pet owners would be unlikely, at the point at which a cremation service is purchased, to wish to spend time looking for alternative cremation providers or making price comparisons. Despite this, we currently consider that in a well-functioning market, the prices and options of cremation services would be made clear to pet owners in an appropriately sensitive manner. Such transparency:

(a) would be important to the substantial minority (20%)[1167] of pet owners who consider price to be a relevant criterion when selecting a cremation service

(b) would support pet owners in choosing between cremation and burial, and between individual and communal cremation

(c) could help those who may wish to consider purchasing direct from a crematorium (as some pet owners now do)

(d) would be one indicator among many that would collectively impact pet owners' views on relative prices when choosing a new FOP

(e) could influence pet owners' perception of the quality of service of FOPs, and

(f) could be used by consumer groups and media to highlight comparative charging practices by FOPs.

[1167] Pet owners survey, Q107.

13.11 We have therefore considered the information that pet owners have when choosing cremations. Our provisional assessment is that veterinary businesses (both LVGs and independents) do not provide sufficient information for pet owners to make informed decisions, which is likely to dampen the competitive constraints faced by FOPs in the supply of cremations, including from specialist crematoria. In particular:

(a) Veterinary businesses do not publish cremation prices in a way that enables pet owners to effectively compare between FOPs.

(b) While some veterinary businesses have policies to provide information about different types of cremation services, around half of the respondents to our pet owners survey could not recall receiving these options.

(c) While some pet owners may not benefit from purchasing a cremation from an alternative provider, including purchasing directly from a specialist crematorium, pet owners are often not made aware that this is an option by their FOP.

13.12 Any profits earned by FOPs in relation to cremations could, in principle, be used to cover a proportion of the common costs that they incur.[1168] However, as discussed in part A, section 7,[1169] our provisional view is that veterinary businesses covering a substantial part of the market earned profits materially exceeding the cost of capital over a sustained period. We consider that cremations are likely to contribute to these profits. We also note that we have not observed significantly strong competition in relation to other FOP services to suggest that profits earned from cremations are being competed away to a sufficient extent in any other aspect of FOPs' services.

13.13 Below, we first set out some background information about the supply of cremations and discuss the context in which pet owners make choices about cremations. In the remainder of this section:

(a) We assess LVG mark-ups on wholesale prices and compare these with the costs that LVGs incur in the provision of cremation services.

(b) We then assess certain factors that appear to be affecting competition and contributing to high LVG mark-ups on individual cremations.

[1168] We use the term 'common costs' to refer to costs that arise when some activities of a business are shared across a group of products and services it provides (for example, administrative activities that support the provision of a group of products and services by the business). These common costs are not incremental to the provision of any individual product or service, nor are they directly caused by any individual product or service alone.
[1169] Part A, section 7: Our provisional assessment.

Background information on the supply of cremations

13.14 There is a range of crematoria which supply cremation services to FOPs (who then sell them on to consumers). Of the three largest crematoria providers, two are owned by LVGs. IVC owns Cambridge Pet Cremations (**CPC**) and Petrest,[1170] and VetPartners owns Pet Cremation Services (**PCS**). The other large national provider was owned by CVS until April 2025, when it was sold to Anima Care (a European funeral services provider).[1171]

13.15 Linnaeus, Medivet and Pets at Home do not own crematoria but have national contracts with [✂] ([✂]) and [✂] ([✂] and [✂]) to be their [✂] cremations provider for most of their vet practices, [✂].[1172]

13.16 Independent practices also report having preferred cremation partners. 60% of independent practices that responded to our request for information stated that they had an exclusive contract with a crematorium.[1173]

13.17 The prevalence of preferred partner crematoria is consistent with our qualitative vet research, where nearly all vets reported working with one or two crematoria, and most had a single crematorium they always used.[1174] In general, a FOP's contracts with a crematorium includes a range of services such as regular collections of animal and clinical waste. We have received a range of submissions noting that there may be some benefits to pet owners using cremation services via their FOP's preferred partner. For example:

(a) VetPartners said that requiring FOPs to offer the services of different crematoria would place a significant additional logistical, administrative and operational burden on them.[1175] It submitted that an unintended upward pressure on prices could result, as well as potentially delays in returning ashes and an increased risk of human error in dealing with multiple crematoria.[1176]

(b) One independent practice [✂] spoke to the importance of developing a relationship and building trust with a preferred crematorium and noted that this relationship was important in enabling them to reassure clients at a difficult time in their lives.[1177]

[1170] Petrest is one crematorium location in Cambridge.
[1171] CVS Group sells crematoria operation in £42 million deal.
[1172] LVG responses to RFI1, Q45, 46 and 56 [✂][✂][✂]. Pets at Home submitted that while [✂] is its [✂] supplier, some individual FOPs use different local cremation providers for reasons of proximity and service. LVG response to RFI1, Q45 [✂].
[1173] Analysis of independent vets' responses to RFI2, Q12.
[1174] Qualitative research with veterinary professionals, pp.59-60.
[1175] Including organising freezers, storage and record-keeping for each provider, as well as arranging additional pick-ups and deliveries with multiple crematoria.
[1176] VetPartners IS Response, paragraph 6.9.
[1177] Independent response to RFI1, Q26 [✂].

13.18 Cremation prices differ significantly depending on the type of cremation and weight of the pet, ranging from £50 for a communal cremation of a small pet to over £300 for an individual cremation of a large pet.[1178] A range of cremation related after-care products are often offered as add-ons. These include paw prints, fur clippings, figurines, urns, caskets and scatter boxes.[1179] Cremations may also be sold in a bundle with euthanasia services.[1180]

Decisions about cremations occur in emotional and distressing situations

13.19 Evidence indicates that pet owners make decisions about cremations in emotional and distressing situations. As noted in our provisional assessment above, we consider this is likely to limit the competitive pressure that pet owners place on veterinary businesses.

13.20 In their submissions to us, many parties acknowledged the difficult emotional context in which pet owners purchase cremations and the role that vets can play in supporting grieving pet owners.[1181] Many LVGs and independent FOPs described the importance of being sensitive to the pet owner's needs when providing information on cremations. Some parties submitted that pet owners were likely to require guidance on end-of-life care and prefer fewer options to be presented to them.[1182]

13.21 Academic evidence on the difficulty of making informed decisions in emotional or high-stress circumstances is particularly relevant for cremations. For example:

(a) Some studies have found that on the death of their pets, pet owners can experience significant grief,[1183] and that some pet owners may feel that this loss is not supported or validated by society.[1184]

(b) Literature suggests that vets can play a key role in supporting pet owners through this time by validating their grief,[1185] and that many pet owners view

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[1178] See, for example, MoneyHelper, "How much does it cost to keep a dog?", "What is the average cost of owning a cat?".
[1179] For example, see LVG response to RFI3, Q56 [✂]
[1180] See [✂] LVG response to RFI7, Q8, paragraph 9.1 and [✂] LVG response to RFI7, Q9, paragraph 9.5.
[1181] LVGs, independent vet practices and crematoria providers provided submissions on the support they offer to pet owners, either through providing access to bereavement trained counsellors (eg CVS), or by signposting pet owners to bereavement support services such as Blue Cross, The Ralph site and Paws to Listen.
Examples include: CVS IS Response, paragraph 4.3, LVG responses to RFI3, Q56 and Independent responses to RFI1, Q3, 26, [✂][✂][✂]
[1182] VetPartners IS Response, paragraph 6.9; Independent responses to RFI1, Q26 [✂] Dogs Trust IS response, p2; Independent response to RFI1, Q11; [✂]
[1183] Chur-Hansen, A (2010), Grief and bereavement issues and the loss of a companion animal: people living with a companion animal, owners of livestock, and animal support workers. Clin Psychol (Aust Psychol Soc)
[1184] Adams CL, Bonnett BN and Meek AH (2000), Predictors of owner response to companion animal death in 177 clients from 14 practices in Ontario. Journal of the American Veterinary Medical Association (JAVMA)
[1185] Adams CL, Bonnett BN and Meek AH (2000), Predictors of owner response to companion animal death in 177 clients from 14 practices in Ontario. Journal of the American Veterinary Medical Association (JAVMA)

their vet as the primary resource for after-death body care and information.[1186]

13.22 The role that vets play in the grieving process means that pet owners are likely to place a high reliance on their vet's guidance and are less likely to request or engage with alternative purchasing options.

13.23 We note that decisions about cremations are often made alongside discussions on euthanasia consent. In these circumstances, we consider that pet owners are likely to feel some time pressure in their choices of cremation options. Internal documents from LVGs and our qualitative vet research indicate that providers offer and discuss cremation and euthanasia services in a variety of ways. While all provide some flexibility in timings, some discuss and arrange payment for cremation and euthanasia services together, while others separate out these two discussions.[1187]

LVG FOPs charge significant mark-ups on wholesale prices for individual cremations, which may not reflect the costs incurred in providing them

13.24 In this section, we summarise our analysis of LVGs' costs and mark-ups in the sale of cremations, which we consider supports our provisional assessment that mark-ups and prices are higher than we would expect if competition was working well.

13.25 First, we looked at retail prices charged by different providers, including LVGs, independent FOPs and independent crematoria. This analysis indicates that prices charged to pet owners vary significantly by the type of cremation and the weight of the pet. We attempted to compare retail prices between providers in detail but found it difficult to make clear comparisons given data availability issues (and as

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[1186] Cooney, K, Kogan, L, Brooks, S, Colleen, E (2021) Pet owners' expectations for pet end-of-life support and after-death body care: exploration and practical applications. Topics in Companion Animal Medicine

[1187] For example:

- An LVG [✂] information sheet states that reception staff will discuss cremation options and arrange to take payment for both euthanasia and cremation prior to the euthanasia appointment. However, it also notes that a decision does not need to be made straight away. LVG response to RFI3, Q36 [✂]. Note it is unclear if this information sheet is a template used by all [✂] practices, or unique to a particular FOP practice.
- Another LVG [✂] guide, produced by one of the group's practices, recognises the emotional context for clients and suggests considering taking payment for both euthanasia and cremation in the consultation room before the euthanasia appointment. However, it also states that clients should be afforded one day to consider their options if unsure. LVG response to RFI3, Q15,25,26 [✂]
- CVS submitted that its cremations process allows pet owners some time to consider their options, rather than requiring them to make a decision at the time of euthanasia. CVS IS Response, paragraph 4.3.
- Our qualitative research with veterinary professionals indicates differences in the way vets sold cremations to pet owners. For example, one said they told pet owners that they did not have to decide on the same day, because of the emotional nature of the decision. There were also examples of veterinary surgeons passing pet owners onto crematoria and the crematorium communicating with pet owners directly about prices. A few vets working at independent practices reported charging pet owners after they had received the pet ashes, while others reported charging pet owners before the cremation took place. Qualitative research with veterinary professionals, pp. 57-58.

noted below, our provisional view is that the unavailability of pricing information for cremations is itself a barrier to pet owners being able to assess whether they are getting good value for money). We set out a brief summary of our retail price analysis in Appendix L but have not given these results significant weight in our provisional assessment above.

13.26 Second, we assessed LVG costs and mark-ups, which we summarise below and in more detail at Appendix L.

Mark-ups on wholesale prices

13.27 Veterinary businesses (both LVGs and independents) negotiate wholesale prices at a discount off crematoria retail prices. They then retain the difference between (a) the retail price paid by pet owners in FOPs and (b) the wholesale price they pay. For each of the four LVGs that submitted information on the wholesale prices they paid to crematoria ([✂], [✂], [✂] and [✂]),[1188] we have compared these wholesale prices with the retail prices they charge to consumers.

13.28 Our estimates indicate that each of these four LVGs charges substantial mark-ups on individual cremations, although there is significant variation in the size of these mark-ups. [✂] has by far the highest median mark-ups, which we estimate across all animal categories at £[200-250],[1189] followed by [✂] at £[150-200],[1190] [✂] at £[150-200],[1191] and [✂] at £[100-150][1192] – although we acknowledge that there is a significant degree of uncertainty in these estimates. This ranking generally holds for different pet types and weights, although estimated median values vary.

13.29 LVG mark-ups on communal cremations are much lower, and relatively similar across the four LVGs. [✂] still has the highest median mark-ups, which we estimate across all animal categories at £[50-60], followed by [✂] at £[50-60], [✂] at £[50-60] and [✂] at £[40-50], although again we acknowledge that there is a significant degree of uncertainty in these estimates. Again, this pattern is relatively consistent across different animals and weights.

LVG costs incurred in the provision of cremation services

13.30 In response to our working paper, How people purchase veterinary services, most LVGs submitted that our initial mark-ups analysis did not consider the potentially significant costs they incur in the provision of cremation services (for example, staff time supporting customers and discussing options with them, handling and

[1188] [✂] only submitted information on wholesale cremation prices for their practices [✂], and [✂] was unable to submit any information on wholesale prices. See Appendix L.
[1189] LVG response to RFI7, Q8 [✂]
[1190] LVG response to RFI7, Q8 [✂]
[1191] LVG response to RFI7, Q8 [✂]
[1192] LVG response to RFI7, Q8 [✂]

storage of the pet's body, transportation, and more).[1193] Noting this, we asked LVGs to provide estimates of the staff time and non-staff costs attributable to the provision of individual and communal cremations, as well as any supporting evidence underpinning such estimates.

13.31 Using those estimates, it is reasonable to conclude, in our provisional view, that LVGs are (a) making limited to no profits on each communal cremation that they sell, and (b) making significant profits on each individual cremation that they sell, albeit with significant variation between LVGs. In particular, we consider that consumers may be paying in the order of, and maybe more than, an extra £100 for individual cremations at a substantial number of FOPs, compared to the prices they would pay if FOPs faced strong price competition.

13.32 We set out further detail on the cost estimates we received in Appendix L. In summary:

(a) [✂] provided itemised cost estimates for staff time,[1194] while only [✂] and [✂] submitted estimates of non-staff costs. [✂] LVGs submitted that they do not collect this data in the normal course of business.[1195]

(b) Most LVGs submitted that the staff costs incurred by a FOP to support the provision of a cremation varies significantly on a case-by-case basis.[1196]

(c) Noting these caveats, four LVGs provided estimates of the 'average' staff costs that their FOPs are likely to incur to support the provision of an individual and a communal cremation.[1197] These ranged from [£20-40] [✂][1198] to [£60-80] [✂][1199] for an individual cremation, and from [£0-20] [✂][1200] to [£40-60] [✂][1201] for a communal cremation. Taking an average of these four estimates, we estimate that the 'average' staff cost incurred by FOPs is around £50 per individual cremation and around £35 per communal cremation.

(d) [✂] estimated average non-staff costs to be £[✂] per individual cremation and £[✂] per communal cremation.[1202]

[1193] IVC response to the February 2025 working papers, March 2025, slide 28; Medivet response to the February 2025 working papers, 21 March 2025, paragraph 3.44; Pets at Home response to the February 2025 working papers, 21 March 2025, paragraphs 4.6 and 4.7; VetPartners' response to the 'How people purchase veterinary services' working paper, 21 March 2025,, paragraph 7.9.
[1194] LVG responses to RFI17, Q40. [✂][✂][✂][✂][✂]
[1195] LVG responses to RFI17, Q40. [✂]
[1196] LVG responses to RFI17, Q40. [✂][✂][✂][✂]
[1197] [✂], [✂], [✂] and [✂] provided an estimate of 'average' staff costs incurred ([✂], and [✂] did not provide any itemised cost estimates). LVG responses to RFI17, Q40. [✂][✂][✂][✂]
[1198] LVG response to RFI17, Q40 [✂]
[1199] LVG response to RFI17, Q40 [✂]
[1200] LVG response to RFI17, Q40 [✂]
[1201] LVG response to RFI17, Q40 [✂]
[1202] LVG response to RFI17, Q40 [✂]

(e) Putting together these two estimates, we estimate that the 'average' total cost incurred by LVGs is around £60-65 per individual cremation and around £45-50 per communal cremation. These estimates are approximate and based only on qualitative analysis from four of the LVGs. We therefore do not consider that they should be used as precise figures, and in any case note that LVG costs are likely to vary significantly on a case-by-case basis.

13.33 Comparing these average cost estimates with the median mark-ups above, we observe that, for individual cremations, estimated median mark-ups of around £[✂] to £[✂] are significantly higher than average LVG cost estimates of around £60 to 65 (albeit these average costs could be as high as [£60-80], and the cost to provide one individual cremation could be significantly lower or higher than these average estimates).

13.34 This indicates that LVGs are likely to be making significant profits on each individual cremation that they provide (although this is not necessarily the case for all LVGs), even allowing for a significant degree of uncertainty around the LVGs' costs estimates.

13.35 For communal cremations, we observe that estimated median mark-ups are broadly similar to average LVG cost estimates, indicating that LVGs are making limited to no profits on each communal cremation that they provide.

Most pet owners choose individual (rather than communal) cremations

13.36 Given these findings on LVG mark-ups, we have considered whether most consumers purchase individual or communal cremations. Overall, evidence suggests that the majority of pet owners choose individual cremations, that there has been a recent trend towards individual over communal cremations, and that the vast majority of money is spent on individual cremations.

13.37 Evidence we have seen on this includes:

(a) Pets at Home submitted that, while communal cremations used to be the norm, more pet owners are now choosing individual cremations and spending more on add-ons.[1203] It estimated that in FY24 individual cremations represented [✂]% of total cremations sold,[1204] and that around [✂]% of its total FY24 cremation revenues came from individual cremations.[1205] Pets at Home also stated that retail cremation prices have

[1203] Pets at Home IS Response, paragraph 14.
[1204] Pets at Home response to the February 2025 working papers, 21 March 2025, Figure 8 (following paragraph 4.5)
[1205] Pets at Home IS Response, paragraph 18.

been increasing at a faster rate for individual cremations compared to communal cremations.[1206]

(b) Veterinary surgeons participating in our qualitative research suggested that most pet owners tended to choose individual cremations. A few participants also observed that, in recent years, pet owners were more frequently choosing individual cremation services than they had in the past.[1207]

(c) An LVG's [✂] 2024 financial reports shows that in the twelve months to April 2024, [✂]% of cremations sold by the group were individual cremations, making up [✂]% of total cremations revenue. In the previous year, [✂]% of cremations sold were individual, making up [✂]% of total cremations revenue.[1208]

(d) An internal document submitted by an LVG [✂] indicates that having more time to consider options led to pet owners choosing more individual cremations, with up to [✂]% of pet owners that were given additional time to consider their options opting for an individual cremation.[1209]

(e) An internal document prepared for an LVG's [✂] board in [✂].[1210]

Factors that impact competition between FOPs

13.38 In this section, we set out evidence in relation to factors that impact competition between FOPs. In particular, we discuss evidence supporting the following points:

(a) Veterinary businesses do not provide sufficient information to enable pet owners to make informed decisions in a way that could put some constraint on cremations prices.

(b) Pet owners rarely compare between different providers of cremation services.

Information about cremations provided by veterinary businesses

13.39 Noting that pet owners' ability to constrain veterinary businesses is limited by the circumstances in which they make decisions about cremations, we have nevertheless considered the information provided by FOPs, and whether this enables pet owners to make informed decisions in a way that could put some constraint on cremations prices.

[1206] Pets at Home IS Response, paragraphs 17-19.
[1207] Qualitative research with veterinary professionals, pp. 55-56.
[1208] LVG response to RFI3, [✂]
[1209] LVG response to RFI3, Q28 [✂]
[1210] LVG response to RFI3, Q7, [✂]

13.40 Below, we consider the information provided by veterinary businesses regarding:

(a) comparable price information

(b) options for different types of cremation and burial services, and

(c) alternative cremation providers.

13.41 This evidence supports our provisional view that veterinary businesses do not provide sufficient information for pet owners to make informed decisions.

There is a lack of pricing transparency, which makes it hard for consumers to compare effectively between providers

13.42 Evidence indicates that there is a lack of pricing transparency regarding cremation services, which makes it hard for consumers to compare effectively between retail providers of cremations (including both FOPs and crematoria). We also note that pet owners have no insight as to the margins FOPs make on cremations.

13.43 A range of evidence indicates that pet owners are not able to access comparable cremation pricing online or in-person from FOPs.

(a) As set out in part A, section 8,[1211] our review of online websites found that 41% of FOPs had no pricing information at all (including cremation prices).

(b) Of the remaining 59% of websites, many only provided a limited range of routine service prices. Only 25% of all FOPs published more than 20 treatment prices on their website. We also conducted a targeted review of a subsample of those websites that displayed some price information, to check whether they provided prices in relation to cremation services.[1212] Only 2% of websites in this targeted review listed prices for cremation services.

(c) As set out in part A, section 8,[1213] LVGs submitted that the price information their FOPs provide, both online and in person, varies significantly between locations based on individual practice policies, and evidence submitted by independent vet practices also demonstrated this variability.

13.44 We note that even after requesting cremation prices from all LVGs, we found it difficult to conduct our own comparison of retail cremation prices, primarily

[1211] Part A, section 8: CMA research of online pricing information.
[1212] Out of the 1,184 FOPs randomly selected for our second website review of May and June 2025, 695 (59%) displayed some price information. Out of these 695 practices, we randomly selected a subsample of websites that included around 10% of all strata (LVG, mid-tier and small independent FOPs, and FOPs in each of the nations of the UK), totalling 81 websites.
[1213] Part A, section 8: Other evidence on pricing information availability.

because of data availability issues regarding LVG prices,[1214] and because there is no easily comparable information about independent FOPs' retail prices.

13.45 Evidence from our pet owners survey indicates that many pet owners do not remember receiving pricing information from their FOP when purchasing a cremation service. Only 52% of respondents said that they received information about 'the price of the service and different packages' when purchasing a cremation service.[1215]

13.46 Finally, we have seen evidence that some FOP providers may be providing euthanasia and cremation as a single service. This may make it difficult for pet owners to compare prices between FOPs' cremation services or between their FOP's cremation service and independent crematoria.[1216] For example:

(a) VetPartners stated that most practices would charge an overall fee to the pet owner that will often include the cost of the cremation, the cost of the euthanasia procedure and associated vet time.[1217]

(b) An LVG [✂] internal document provides an example of a [✂] customer price list that bundles euthanasia and cremation services into a single price.[1218]

(c) Other price lists submitted by LVGs [✂], [✂] and independent practices [✂] have cremation prices split out separately from euthanasia prices.[1219]

Veterinary businesses have policies to provide information about home burial and different types of cremation services, but pet owners do not always remember receiving these options

13.47 Evidence from veterinary businesses indicates that most FOPs have policies to provide pet owners with a choice of type of cremation service, such as individual or communal cremation, alongside home burial. However, around half of the respondents to our pet owners survey could not recall receiving these options.

13.48 LVGs ([✂] and Pets at Home) and some independent vets [✂], for example, have submitted to us that they have policies to provide pet owners with a choice of burial and different types of cremation services.[1220]

13.49 Our qualitative vet research supported these submissions. Most vets, in both LVGs and independents, said that they offered options to pet owners including

[1214] Further details of these data availability issues are set out in Appendix L.
[1215] Pet owners survey, Q105.
[1216] As noted by [✂], which stated that setting a single price for both cremation and euthanasia is likely to mean that pet owners feel they have no choice but to purchase the whole service. [✂].
[1217] VetPartners IS Response, paragraphs 6.3-6.4.
[1218] LVG response to RFI3, Q43 [✂].
[1219] For example: LVG responses to RFI3, Q56 and independent responses to RFI1 [✂][✂][✂].
[1220] For example: LVG response to RFI3, Q55 [✂]; Pets at Home IS Response, paragraph 15; and Independent vet response to RFI1, Q26 [✂].

individual cremation, communal cremation or home burial. They said that they communicated these options in several ways, including during consultations, over the phone, and via a leaflet or booklet. Some vets reported not wanting to offer too many options to avoid overwhelming pet owners.[1221]

13.50 Our review of LVG internal documents was also consistent with these submissions. For example:

(a) We reviewed an LVG [✂] practice manual which had been produced centrally by the group and provided to practices which had recently been acquired. This stated that the difference between communal cremation, where ashes are not returned, and individual cremation, where ashes are generally retrievable, must be made clear to pet owners.[1222]

(b) Some LVGs [✂] [✂] submitted documents (including customer-facing information sheets,[1223] standard operating procedures,[1224] and customer-facing price lists)[1225] that set out the options of individual vs communal cremation.

13.51 The above evidence notwithstanding, findings from our pet owners survey indicate that many pet owners do not remember receiving these options from their FOP. Less than half (47%) of those respondents that had purchased a cremation in the last two years said they received information on a range of options, including premium packages (such as individual cremation) and more simple options (such as communal cremation or home burial).[1226]

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

13.52 Evidence suggests that pet owners are often not made aware by their vet that they can purchase cremation services from somewhere other than through their FOP.

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

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

[1221] Qualitative research with veterinary professionals, pp. 55-60.
[1222] LVG response to RFI3, 26 [✂].
[1223] LVG response to RFI3, Q56 [✂].
[1224] LVG response to RFI3, Q56 [✂].
[1225] For example, LVG responses to RFI3, Q56 [✂][✂].
[1226] Pet owners survey, Q105.

did not ask for a choice, and that they valued the role their vet practice plays in making arrangements.[1227]

(b) CVS submitted that pet owners were typically presented with various options, including taking the body away for burial, using a CVS crematorium, or using a third-party crematorium.[1228]

(c) Some independent FOPs [✂] have told us that they did not proactively offer a choice of crematorium to pet owners.[1229]

(d) Most independent crematoria [✂], [✂], [✂], and [✂] submitted that in those cases where a pet owner does approach a crematorium directly, this is usually because of personal recommendations from friends or family, or web searches, rather than from FOP referrals. Some independent crematoria publish pricing and the range of options on their websites while others present prices individually to clients over the phone, via email, or face-to-face.[1230]

13.54 In our qualitative vet research, nearly all participants said that their practice used a single crematorium, with which they typically held a contract.[1231] Most vets reported that pet owners rarely asked to use other cremation providers and did not seek additional choices. Most vets described this approach as logical and convenient, describing set routines where staff from the crematorium would come to drop off ashes and collect deceased pets at the same time each week. A small number of vets said that their practices offered pet owners an alternative provider, usually for reasons of convenience.

13.55 The submissions and evidence above are consistent with evidence we have seen in LVGs' internal documents. Information on cremation options and price lists offered to pet owners usually refer only to the FOP's in-house crematorium (where it is part of a vertically integrated LVG), or the FOP's preferred partner crematorium (where the LVG is not vertically integrated). For example:

(a) An LVG [✂] guidance document [✂][1232]

(b) We have seen several examples of euthanasia consent forms from both LVGs and independents [✂], [✂], [✂], that include options for individual and communal cremations, as well as an option to take their pet away for burial.

[1227] IVC IS Response, paragraph 6.
[1228] CVS IS Response, Section 4.3, footnote 4,
[1229] For example, Independent responses to RFI1, Q26 [✂]
[1230] For example, Independent responses to RFI1, Q4[✂]
[1231] Qualitative research with veterinary professionals, pp. 58-60.
[1232] LVG response to RFI3, Q26, [✂].

There are no service prices listed on the forms nor any reference to third-party cremation being an option.[1233]

Pet owners rarely compare between different providers of cremation services

13.56 The evidence we have seen indicates that pet owners do not compare between different providers of cremation services and are likely to buy a cremation from their FOP, or to use the crematoria recommended by their FOP.

13.57 We consider this is likely caused by both the difficult circumstances in which pet owners choose cremations and also by FOPs not providing sufficient information for pet owners to make informed decisions (as described above). We consider that these factors together are likely to limit the competitive pressure that pet owners place on veterinary businesses.

13.58 In our pet owners survey, most pet owners that bought a cremation service in the last two years purchased it from their FOP (64%) or OOH practice (8%). Another 6% said they chose a cremation service based on their FOP or OOH recommendation. The remaining respondents said they chose their cremations provider based on word of mouth (7%), online search (5%) or other methods (8%).[1234]

13.59 This is consistent with submissions from LVGs. In particular:

(a) Our review of LVG responses regarding the number of cremations sold and the number of registered pets that died between 2021 and 2024, LVGs sold approximately six cremations for every ten registered pet deaths. Given that our pet owners survey indicates that over a quarter of pet owners bury their pets,[1235] this indicates that over four fifths of LVG customers that purchased a cremation bought it from their FOP.

(b) Pets at Home submitted that based on data since April 2023, approximately 29% of pet owners who had a pet die in practice chose to take their pet home and make their own arrangements (whether a burial or a third-party cremation).[1236]

13.60 Most pet owners in our survey reported that they did not compare between different cremation providers. 89% of those who bought a cremation said they did not compare between different providers, compared to 9% who said they did.[1237]

[1233] For example, LVG response to RFI3, Q26 and Independent responses to RFI1, Q11 [✂][✂].
[1234] Pet owners survey, Q104. 1% of respondents could not recall.
[1235] Pet owners survey, Q103. The rate of respondents that said they buried their pet (29%) was consistent for customers of LVG and independent FOPs.
[1236] Pets at Home IS Response, paragraph 15.
[1237] Pet owners survey, Q106.

13.61 Of those that did not compare between different providers, 49% said they did not do so because they followed their vet's recommendation, 38% said they did not want or have a chance to do so, and 15% said they chose their crematorium based on previous use.[1238]

13.62 When asked what factors were important to them when choosing a cremation service, 48% of pet owners selected their vet's recommendation. This was almost double the number of respondents that selected any other factor – including whether the crematorium had a good reputation and positive reviews (26%), the type of cremation service offered (26%) and price (20%).[1239]

[1238] Pet owners survey, Q106c.
[1239] Pet owners survey, Q107.

14. Regulatory framework for veterinary services

Introduction

14.1 We have described the regulatory framework for veterinary services in part A, section 2 of this report.[1240] In this section we set out first, our provisional assessment of that framework and then our detailed analysis and evidence in support of that assessment.

Provisional assessment

14.2 Our provisional assessment is that the current regulatory framework does not contain appropriate substantive requirements, or monitoring, enforcement and redress mechanisms, to support the competitive processes and outcomes we would expect in a well-functioning market for the retail supply of veterinary services for household pets by FOPs.

14.3 Regulation is required in the relevant market for two main reasons. First, because vets and veterinary businesses will always have more knowledge and expertise than pet owners, who will trust and rely on them to treat their pets. This results in an imbalance of knowledge and power between vets and pet owners. Second, because veterinary services serve important public interests relating to animal welfare, the environment and public health and safety but are provided mainly by commercial operators with legitimate interests in making profits. There is a need to ensure that commercial interests and incentives do not undermine the interests of pet owners or the wider public interest.

14.4 Regulation therefore serves two distinct but connected purposes: first the interests of pet owners as purchasers of veterinary services, and second the protection of animals and public health and safety. The two are connected because, in a system in which veterinary services are provided principally on a commercial basis, the ability of pet owners to afford appropriate quality services is closely related to the desire to support good animal welfare. If pet owners cannot pay for, or do not receive a choice of, good quality services animals will go untreated or will receive treatment that is less than optimal.

14.5 So, while our focus in this section is on regulation that supports pet owners in receiving, and being able to choose effectively between, a competitive range of services, this has important implications for animal welfare. We are aware that animal welfare and public health requires consideration of clinical and scientific factors which are the responsibility of government and the professional regulators.

[1240] Part A, section 2: Context for the veterinary services market.

We have taken this into account in our assessment of the regulatory regime and in part B, section 10 where we consider remedies.

14.6 The imbalance of knowledge between pet owners and vets means that most pet owners are unlikely to be able always to make informed choices on matters such as alternative diagnostics, treatments and medicines, how they are priced and how they compare, which would drive competition between vets and veterinary businesses. Such choices by consumers typically result in markets delivering competitive prices, improvements in quality and a range of options to suit different consumer needs.

14.7 To address this concern, we would expect the system of regulation to (among other things):

(a) promote competition by ensuring that pet owners have information that, where possible, enables them to make good choices; and

(b) provide effectively for assuring, monitoring and enforcing appropriate minimum or baseline standards of competence, quality and conduct by all vets and FOPs, as well as indicators of the relative quality of services they offer, where pet owners cannot readily assess those things for themselves.

14.8 We have assessed the provisions of the current regulatory framework against those expectations. We have identified the following aspects of the framework that, in our provisional view, affect competition and contribute to poor outcomes for pet owners:

(a) it does not put enough focus on promoting competition (which is a driver of fairly priced, good quality, innovative services) as one of its objectives;

(b) its scope is too narrow - regulation binds only individual vets and nurses, but not veterinary businesses[1241] and the non-vets who own and work in them;

(c) it gives pet owners only limited help in gauging the relative quality of services;

(d) such mechanisms as it contains for monitoring and enforcing compliance with regulatory requirements are poorly designed;

(e) there is limited provision for effective complaint handling and consumer redress across the sector; and

(f) more broadly, the RCVS's governance structure – in which it combines a professional leadership role with a regulatory role involving the setting and

[1241] Whose practices would only be subject to some form of regulation if they joined the PSS, but this is a voluntary scheme with no sanction for non-compliance.

enforcing of conduct requirements - is not consistent with the effective discharge of its functions given the inherent tensions between these two roles.

14.9 As a result, the regulatory framework does not, it appears to us, result in pet owners having good, relevant and timely information on price, quality and treatment options that would help them make informed decisions about the services they buy and from whom. That key driver of competition is missing.

14.10 Our concerns do not arise only from a competition perspective. Animal welfare and an effectively regulated competitive market go hand in hand. Where regulation works well to help pet owners make good choices, that will drive competition between veterinary businesses, reducing prices, improving quality and widening access to services and treatments for the benefit of animals as well as their owners.

Detailed analysis

14.11 The rest of this section sets out our detailed analysis in support of our provisional assessment. We consider each of the following in turn:

(a) Why regulation might be expected to be part of a well-functioning market for professional services such as veterinary services and what role regulation should play in that market, looking at:

(i) why regulation is required;

(ii) the role it plays in other professional services markets; and

(iii) the role it should play in the veterinary services market.

(b) The ways in which the current regulatory framework falls short of what we might expect and affects competitive processes and outcomes, analysing:

(i) whether and how it currently promotes competition and good outcomes for pet owners;

(ii) its scope;

(iii) its mechanisms for monitoring and enforcement; and

(iv) the provision it makes for complaints handling and redress.

Why regulation of veterinary services is required

14.12 Veterinary services for household pets in the UK are provided mainly by private operators who have legitimate commercial incentives to make and maximise

profits. Without those incentives, and the ability to make an adequate level of return, the capacity to meet demand would likely be insufficient and the quality of services likely poorer, harming animals and pet owners. Successful and innovative commercial operators are a necessary though, for reasons explained in the following paragraphs, not sufficient, requirement to ensure animal welfare.

14.13 In some sectors, the market may by itself be able to deliver the competitive processes and outcomes for consumers that we might expect in a well-functioning market. A combination of businesses' commercial incentives and the way consumers interact with the market may mean that consumers have the information and ability to make informed choices, and rival businesses compete to offer them a range of services meeting differing needs at competitive prices.

14.14 In other markets, and particularly those for professional services, the market alone may not deliver those processes and outcomes. In those cases, the risk of market failure means effective regulation may be necessary.[1242] [1243] In our provisional assessment, there are at least two reasons for this possible market failure and both apply in the market for the supply of veterinary services by FOPs.

Limitations on consumer knowledge and ability to engage

14.15 For markets to work well, consumers need to be active and engage with the choices offered to them by suppliers and be able to make well-informed and rational decisions.[1244] Regulation can be necessary where they are unable to do so, especially in markets where consumers have substantially less knowledge and experience than the suppliers who serve them. Where this imbalance is an inherent feature of a market, regulation operates to help the market work well where competition alone is unlikely to do so.

14.16 The points in the preceding paragraph have particular relevance in professional services markets. The purpose of a profession is to provide non-expert consumers with the benefits of a body of learning, expertise and experience. Where a consumer needs professional services, they will almost always know far less about the transaction than the professional providing those services.

14.17 Many professional services involve the sale of credence goods, where the average consumer is unable to identify the quality of the good or service which best fits

[1242] Institute for Government report, What is regulation?, 1 August 2024 (accessed 7 October 2025).
[1243] An example of such a market is that for higher education services. A 2017 report by the National Audit Office found that government had intended that competition in that market would improve quality and value for money for students. Market incentives were weak, however, so competition did not drive these improvements. The Office for Students was subsequently created as a regulatory body, with its statutory remit focusing on competition alongside student choice and outcomes. National Audit Office, The higher education market - NAO report, 6 December 2017 (accessed 7 October 2025).
[1244] CMA111, Regulation and Competition (A Review of the Evidence), January 2020 (CMA - Regulation and Competition Report (2020)).

their needs. Instead, they rely on an expert who both diagnoses their needs and sells the goods or service to them.

14.18 Examples of markets for credence goods include private healthcare, legal services and financial advice services. The informational asymmetries between the seller and the buyer in a credence goods market, and the proximity of the seller to the financial rewards of the transaction, create incentives for three types of inefficiencies: over supply of some services, under supply of services, and overcharging. These problems are exacerbated by the fact that often in markets for credence goods the consumer is unable to assess the quality of the product they have received even after a transaction has concluded.[1245] In such circumstances and in a poorly regulated market, professionals may have an incentive to reduce overall quality or provide substandard service.[1246]

14.19 Different forms of regulation have an important role to play in supporting competition, for example by providing part of the legal and economic frameworks within which competition takes place.[1247] In particular, regulation can seek to guarantee the quality of services[1248] offered by regulating access to, and the exercise of, the profession.[1249] Setting, monitoring and enforcing appropriate standards of competence, quality and conduct can help build, and maintain, public trust and confidence that those standards are met. Requiring providers to give consumers information, and treat them in certain ways, can help consumers make informed choices about the services they buy and from whom, where they may otherwise struggle to do so.[1250]

14.20 In this way, regulation can help drive consumer engagement and operate as an important constraint on service providers. It can be a key part of a well-functioning market in which rival providers compete to offer consumers a range of services that might meet their needs at competitive prices.

Public interests and commercial incentives

14.21 A second reason regulation is required in markets for professional services is that those services are provided in the public interest as well as in pursuit of

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[1245] Kerschbamer, R., & Sutter, M. (2017). The economics of credence goods – A survey of recent lab and field Experiments. CESifo Economic Studies 63: 1-23. Balafoutas, L., & Kerschbamer, R. (2020). Credence goods in the literature: What the past fifteen years have taught us about fraud, incentives, and the role of institutions. Journal of Behavioural and Experimental Finance, 26, 100285.
[1246] Organisation for Economic Co-operation and Development (OECD), Competition and Regulation in Professions and Occupations (OECD report), 17 May 2024, p 13 (accessed 7 October 2025).
[1247] CMA111, Regulation and Competition (A Review of the Evidence), January 2020 (CMA - Regulation and Competition Report (2020)).
[1248] For example, by requiring the quality of services to meet certain standards.
[1249] OECD report, p 47.
[1250] For example, in Open Banking, the CMA's market opening measures sought to "significantly increase competition between banks, by making it much easier for both personal customers and SMEs to compare what is offered by different banks". Another example is the CMA's Legal Services market study where recommendations were made to increase transparency of price, service, and quality information for consumers before the point of purchase.

commercial objectives. The provision of legal services, for example, also serves the public interest in access to, and the administration of, justice. Regulation is used to ensure such public interests are protected,[1251] even where they may be in conflict with providers' commercial objectives.

14.22 The public interests served by a profession involve externalities. Externalities are indirect impacts (costs or benefits) on third parties that occur when services are supplied. They can arise where an individual consumer accepts a level of service from a professional that may satisfy their needs but is not socially desirable – either an under-provision or an over-provision.[1252]

14.23 In medicine, for example, a patient's focus may be to alleviate their symptoms quickly, whereas there may be wider public health impacts from the use of antibiotics or the transmission of disease.[1253] A private provider of medical services may have commercial incentives to meet the patient's focus rather than address the wider public impacts.

14.24 There is, accordingly, potential for the public interests served by a profession to be misaligned with the service providers' commercial incentives and/or the private interests of the consumer. The public interests may require providers to act in ways that may not maximise their commercial benefit. Regulation is used to ensure that the wider societal interests are protected. It can manage or address the costs of externalities, either directly through imposing conduct requirements or indirectly by maintaining adequate standards in professional training and qualifications.[1254]

Other professional services

14.25 Regulation of professional services can therefore serve two broad purposes in a well-functioning market: (i) to protect consumers where there is an asymmetry of knowledge and information between them and suppliers; and (ii) to protect and advance the public interests that the relevant profession exists to serve.

14.26 The ways in which the relevant regulatory frameworks seek to meet those two purposes can be observed in a range of professional services markets. For example:

(a) The General Pharmaceutical Council's (**GPhC**) quality-assurance powers help safeguard the public interest against pharmaceutical malpractice, and

[1251] Regulation also helps government and other policymakers secure other policy objectives in addition to promoting economic growth. For example, there are regulatory frameworks to protect consumers from mis-selling; to secure health and safety in the workplace; and to safeguard the environment. CMA111, Regulation and Competition (A Review of the Evidence), January 2020.
[1252] OECD report, p 14.
[1253] OECD report, p 14, referring to OECD (2000), Competition in Professional Services, p 30.
[1254] OECD report, p 12.

the GPhC Standards for Pharmacy Professionals cover consumer-focused behaviour, including by ensuring consumers are provided with 'all relevant information in a way they can understand, so they can make informed decisions and choices'.[1255]

(b) The General Optical Council's (**GOC**) Standards for Optical Businesses define the standards expected of optical businesses in order to protect the public and promote high standards of care. They also require, among other things, that the services optical businesses provide are open and transparent, that businesses obtain patients' valid consents to treatments, establish 'a clear complaints protocol' and make 'patients aware of their channels of complaint'.[1256]

(c) The regulatory objectives for the Legal Services Board (**LSB**), which oversees eight regulators for different legal professions, include 'protecting and promoting the public interest', 'protecting and promoting the interest of consumers', and 'promoting competition in the provision of services'.[1257]

(d) The Financial Conduct Authority's (**FCA**) operational objectives include to 'protect consumers from bad conduct' and 'promote effective competition in the interests of consumers'.[1258] The FCA has published a Consumer Duty which 'sets high standards of consumer protection across financial services, and requires firms to put their customers' needs first'.[1259]

Application to vets

14.27 Similar considerations arise in the market for the supply of veterinary services by FOPs. Expert professionals provide clinical services to pet owners who buy the services for their pets. The specialist nature of the services means, as we describe in part A, section 3 of this report,[1260] that pet owners will always (or nearly always) be less knowledgeable about the services than those providing them. They will rarely be able to judge the quality of the services on offer, which is in any event hard to measure and communicate to pet owners, and they will rely on those professionals to get the clinical care their pets require at a fair price.

14.28 The 'substandard service' (to use the OECD's term) to which consumers' reliance may lead is a reduction in overall quality, with animals not receiving adequate treatment or being overtreated.[1261] In both cases, this can lead to suffering for the

[1255] GPhC, Standards for Pharmacy Professionals, p 8 (accessed 7 October 2025).
[1256] GOC, Standards for Optical Businesses, pp 18-19 (accessed 7 October 2025).
[1257] Legal Services Act 2007, Part 1 - The regulatory objectives and LSB, The Regulatory Objectives, June 2017, pp 8-10 (accessed 7 October 2025).
[1258] FCA, About the FCA: How we operate (accessed 28 January 2025).
[1259] FCA, Consumer Duty (accessed 28 January 2025).
[1260] Part A, section 3: Factors which affect how competition works in the market for veterinary services.
[1261] This is not to say that pets are being inadequately, or over-, treated. Rather, that this is a risk that regulation is intended to mitigate.

animal and detriment to pet owners. In competitive terms, the restricted ability pet owners necessarily have may mean that they cannot or do not make the kinds of choices that would drive competition between providers on such matters of quality (and price).

14.29 In terms of externalities, the public interests served by veterinary services relate to animal welfare, the environment and public health and safety. In some cases, veterinary businesses' commercial interests and a pet-owner's wishes may not necessarily reflect the wider public interest in those matters.

14.30 For example, it might be socially optimal, or beneficial for overall animal health, for pets with infectious diseases to be treated differently than would occur based only on the preferences of the individual pet owner (and which preferences veterinary businesses have commercial incentives to meet). Likewise, it might be best for a vet to refrain from prescribing certain antibiotics, even if they might more quickly cure the animal's condition and the sale may be commercially beneficial to the vet's business, where there are concerns about wider antimicrobial resistance.[1262]

14.31 In other words, there is clear potential for the wider public interests to be misaligned with veterinary businesses' commercial incentives. Those interests may require the businesses to act in ways that may not maximise their commercial benefit.

14.32 Regulation is accordingly required in the market for the supply of veterinary services by FOPs in order to address the risks created by the asymmetry of expertise between vets and pet owners and to protect wider societal interests. To mitigate the possibility of market failure we would expect the system of regulation to, for example (and among other things):

(a) promote competition by ensuring that pet owners have information that, where possible, enables them to make good choices (and to which competing veterinary businesses have to respond); and

(b) provide effectively for assuring, monitoring and enforcing of appropriate minimum or baseline standards of competence, quality and conduct by all vets and FOPs, as well as indicators of the relative quality of services they offer, where pet owners cannot readily assess those things for themselves.

14.33 We set out in both our Regulatory Framework and Remedies Working Papers the view that regulation of the market for the supply of veterinary services by FOPs is justified on the bases identified above.[1263] That appears to be uncontroversial. No respondents to those papers disputed the need to regulate those services,

[1262] RCVS, Knowledge AMR Hub (accessed 28 January 2025).
[1263] CMA Working Paper: Regulatory framework for veterinary professionals and veterinary services; CMA Remedies Working Paper.

focussing instead on the need to amend and improve, not remove, the system of regulation. We consider those responses further below.

Aspects of the regulatory framework leading to weak and ineffective regulation

14.34 We have assessed whether the provisions of the current regulatory framework effectively promote competition, provide assurances of minimum or baseline levels of competence, quality and conduct and indicators of the relative quality of services. The following subsections set out the analysis and evidence that supports our provisional assessment, set out above, that certain aspects of the regulatory framework fail to promote competition and contribute to poor outcomes for pet owners.

14.35 We first consider provisions of the framework that are intended to protect consumers and may promote competition. We then assess the framework's effectiveness, including whether it:

(a) has adequate focus on promoting competition;

(b) is too narrow in scope, because:

(i) it applies only to individual vets and nurses, not veterinary businesses or non-vets who own and work in them; and

(ii) it gives pet owners only limited indicators of the relative quality of services;

(c) gives the regulator appropriate mechanisms to monitor and enforce compliance with regulation;

(d) includes complaints handling and redress mechanisms that are effective in driving competition and good consumer outcomes; and

(e) gives the RCVS a governance structure that enables it to discharge its varied functions effectively.

The role of the consumer interest in veterinary regulation

14.36 The Code and Guidance do contain some provisions that seek to protect consumers of veterinary services, or should have the effect of doing so, and which might help to promote competition for the supply of veterinary services by FOPs.

Information requirements

14.37 Vets are required by the Code to provide appropriate information to clients about their practice, including the costs of services and medicines.[1264] They must communicate effectively with clients and ensure they obtain informed consent before treatments or procedures are carried out.[1265]

14.38 The Guidance amplifies these requirements, covering how vets can obtain informed consent,[1266] including giving clients a range of reasonable treatment options to consider, and how to communicate estimates and fees.[1267] It also says vets should communicate certain information on prescriptions, including displaying signs to tell consumers that they can purchase prescribed medicines elsewhere.

Conflicts of interest

14.39 Vets are required under the Code to provide independent and impartial advice and inform clients of any conflict of interest,[1268] and to be open and honest with clients and respect their needs and requirements.[1269] The Guidance says that vets should not allow any interest in a product or service, including any interest held by their employer or any organisation they are associated with, to affect the way they prescribe or make recommendations.[1270] Such interests should not affect their clinical decision making because animal health and welfare must be their first consideration.[1271]

Referral requirements

14.40 The Code says vets must refer cases responsibly and in the best interests of pets.[1272] The Guidance builds on this by saying that:

(a) When a case or treatment option is outside their area of competence, vets should refer to a colleague, organisation or institution who they are satisfied is competent to provide the required service.

(b) Vets should consider all relevant factors when considering referring, including the referral vet's ability, experience and location, the urgency, and the pet owner's circumstances and financial situation.

[1264] RCVS Code, paragraph 2.3.
[1265] RCVS Code, paragraph 2.4.
[1266] Supporting Guidance, Communication and consent.
[1267] Supporting Guidance, Practice Information, fees and animal insurance and Consumer rights and freedom of choice.
[1268] RCVS Code, paragraph 2.2.
[1269] RCVS Code, paragraph 2.1.
[1270] Supporting Guidance, Protection of title, advertising and endorsement, paragraph 23.39.
[1271] Supporting Guidance, Maintaining clinical freedom, paragraph 23.41.
[1272] RCVS Code, paragraph 1.2.

(c) Vets have a responsibility to ensure that the pet owner is made aware of the referral vet's level of expertise and/or status, and to identify if they are an RCVS Specialist or Advanced Practitioner and, where relevant, explain the difference.[1273]

(d) When referring to a practice rather than an individual, vets should explain the experience of the vets in that practice, so pet owners can make informed choices about what is best for their animal.[1274]

(e) Vets should record the reasons for referral decisions and be able to justify them. If they consider a real or perceived conflict of interest arises from any referral-based incentives or their links to a referral practice,[1275] they should inform pet owners.[1276]

Contextualised Care

14.41 We consider contextualised care in more detail in part A, section 10 of this report.[1277] For the purposes of this section, we observe that, under the Code, vets must make animal health and welfare their first consideration[1278] and provide care that is appropriate and adequate.[1279] The Guidance on professional autonomy was updated in October 2024 and says that, when providing care, vets should:

> …. make decisions on treatment regimes based first and foremost on animal health and welfare considerations, whilst providing contextualised care and exercising professional judgement about what is best for the animal in each individual case, taking into account the needs and circumstances of the client.[1280]

14.42 The concept of contextualised care therefore acknowledges that there are different ways to approach the diagnosis and treatment of an animal. Those can depend on its and its owners' circumstances, and the context in which the care is delivered.[1281] The regulatory framework recognises this and seeks to help vets provide that care.

14.43 The Guidance says vets should ensure a range of reasonable treatment options is offered and explained to pet owners, including their cost, taking into account the owner's needs and circumstances.[1282] It says informed consent can only be given by a pet owner who has had chance to consider a range of reasonable treatment

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[1273] Supporting Guidance, Referrals and second opinions, paragraph 1.6.
[1274] Supporting Guidance, Referrals and second opinions, paragraph 1.6.
[1275] For example, being part of the same corporate group.
[1276] Supporting Guidance, Referrals and second opinions and Consumer rights and freedom of choice.
[1277] Part A, section 10: Choice of treatments and referrals, subsection Contextualised care.
[1278] RCVS Code, paragraph 1.1.
[1279] RCVS Code, paragraph 1.3.
[1280] Supporting Guidance, Veterinary Care, paragraph 2.2(c).
[1281] RCVS Knowledge, Guidance on Contextualised Care (accessed 7 October 2025).
[1282] Supporting Guidance, Consumer rights and freedom of choice, paragraph 10.2(a).

options, and price estimates, and had the significance and main risks explained to them.[1283] The Guidance notes that vets should:

> ….recognise the need, in some cases, to balance what treatment might be necessary, appropriate or possible against the circumstances, wishes and financial considerations of the client. Whatever the circumstances, the overriding priority is to ensure that animal health and welfare is the priority.[1284]

Guidance chapter 10: Consumer rights and freedom of choice

14.44 The RCVS has recently published a chapter of the Guidance which consolidates its advice on the 'consumer-facing' aspects of regulation. [1285] The RCVS has told us that '…. the purpose of this new chapter is to make it easier for veterinary professionals, and their employers, to see at a glance what is required in terms of supporting clients and delivering a fair service'. [1286]

14.45 We are aware that the RCVS is also taking other steps to identify what support it might provide to veterinary practices and professionals on consumer-facing issues, such as establishing good complaints processes. It has told us that it assesses themes emerging from its 'enquiries and concerns data', and in data from the VCMS,[1287] to ensure that the RCVS Academy can provide ongoing education to address issues that matter to pet owners.[1288] There is an RCVS Academy course, developed with the VCMS, available to vets on complaints handling.[1289]

Assuring competence, quality and conduct

14.46 The veterinary sector's regulatory framework contains similar mechanisms to those in other systems of professional regulation to ensure that the relevant professionals are competent, provide services of at least a baseline quality and meet at least a minimum set of conduct standards. These mechanisms include:

(a) The use of a register for individuals entitled to practise.[1290] Vets who meet the RCVS's educational requirements may register: they must have a recognised qualification[1291] or, for overseas vets without such a qualification,

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[1283] Supporting Guidance, Informed Consent, paragraph 11.2.
[1284] Supporting Guidance, Consumer rights and freedom of choice, paragraph 10.2(b).
[1285] Supporting Guidance, Chapter 10, Consumer rights and freedom of choice.
[1286] RCVS letter to CMA dated 25 October 2024. [✂]
[1287] The Veterinary Client Mediation Service described more fully below.
[1288] RCVS letter to CMA dated 25 October 2024. [✂]
[1289] RCVS meeting with the CMA on 16 October 2024, p 51. [✂]
[1290] Under section 9 of the Veterinary Surgeons Act 1966 (VSA), it is the RCVS's responsibility to keep a register (the Register) of those who are entitled to practise.
[1291] A veterinary degree from a recognised university, VSA, section 3.

must pass the Statutory Membership Exam.[1292] The RCVS has also established 'Day One Competences' outlining the knowledge and skills required of veterinary students on graduation in order to register and become an RCVS member.[1293] Registration is renewed on an annual basis.

(b) An ongoing requirement on registered vets and vet nurses to maintain and develop knowledge and skills relevant to their professional practice (Continuing Professional Development or CPD). Under the Code, vets, for example, must complete the Veterinary Graduate Development Programme (VetGDP) for newly qualified vets and undertake a minimum of 35 hours of CPD a year.[1294] They must also plan, record and reflect on their CPD on the RCVS's digital platform (1CPD).[1295]

(c) The use of the Code and Guidance to prescribe and describe standards of professional conduct. The first principles of practice in the Code relate to 'professional competence.[1296] Paragraph 4.3 requires that '…. veterinary surgeons must maintain practice standards equivalent to the Core Standards of the RCVS Practice Standards Scheme' (discussed in more detail below). The provisions described above can also be seen as helping to establish minimum standards of individual conduct.[1297]

(d) There is a framework for enforcing some requirements imposed by regulation.[1298] In particular, the VSA[1299] requires the RCVS to investigate serious cases in which a vet is liable to be removed or suspended from the Register (and thus barred from practice) and the RCVS operates disciplinary processes.[1300]

14.47 In these ways, the provisions of the regulatory framework seek to provide at least some means of assuring, monitoring and enforcing appropriate minimum or baseline standards of competence, quality and conduct by vets and vet nurses. They also pursue important public policy objectives: protecting animal welfare and public health.

[1292] VSA, section 6.
[1293] RCVS News, RCVS publishes new set of competences for veterinary students to meet upon graduation, 2 July 2020 (accessed 22 August 2025).
[1294] RCVS Code, paragraph 3.3.
[1295] RCVS Lifelong Learning, Continuing Professional Development (CPD) (accessed 22 August 2025). While the requirement of 35 hours of CPD per annum should be reported by vets to the RCVS, the RCVS cannot take any automatic disciplinary action where vets do not complete their CPD and in this situation will write to non-compliant vets to encourage their compliance. Continued non-compliance following such letters can result in the RCVS considering a referral into its disciplinary process. RCVS meeting with the CMA on 16 October 2024, pp 49-51. [✂]
[1296] This includes keeping within their own area of competence, RCVS Code, paragraph 1.2.
[1297] As well as seeking to help consumers make informed choices. This is further explained above at subsection: The role of consumer interests in veterinary regulation.
[1298] Which we consider further in subsection PSS below.
[1299] VSA, section 15.
[1300] RCVS, Disciplinary Committee Procedure Guidance, 26 August 2020 (accessed 7 October 2025).

Effectiveness of the regulatory framework

14.48 The provisions of the Code and Guidance described in the previous paragraphs are a necessary and welcome part of the regulatory framework. We observe, however, including in part A, section 8 of this report,[1301] that notwithstanding those provisions:

(a) A significant proportion of practices do not publish price lists at all and those which do tend only to publish prices for the most basic, simple treatments, and there is lack of uniformity in the presentation and definition of treatments;[1302]

(b) 53% of those pet owners that attended an LVG practice did not know that their vet practice was part of a large group;[1303]

(c) only around 40% of all respondents to our pet owners survey reported that they found out pricing information before registering with their FOP, and 51% of respondents said that they only considered one practice when choosing a FOP;[1304]

(d) less than half (43%) of the respondents to our pet owners survey reported that they received price information in advance of their most recent non-routine treatment;[1305]

(e) only 30% of respondents reported being given options for where they could go for their most recent referral;[1306]

(f) 43% of respondents said that their vet did not provide any alternative treatment options during their most recent visit for non-routine treatments;[1307] and

(g) 38% of respondents to our pet owners survey were not aware of their ability to obtain a written prescription from their FOP that they can use to purchase

[1301] Part A, section 8: Competition between FOPs.
[62] In February and March we found that 84% of the 2,552 UK vet practice websites we checked had no pricing information. Final report of the consultation, p 30. Since the launch of our work, there has been an increase in online transparency but this is still only in relation to a limited, basic set of services. This is set out in part A, section 8: Competition between FOPs, subsection CMA research of online pricing information.
[1303] Part A, section 8: Competition between FOPs, subsection Our provisional assessment.
[1304] Part A, section 8: Competition between FOPs, subsections Consideration of multiple options when choosing a FOP and Engagement with price information when choosing a FOP.
[1305] Part A section 8: Competition between FOPs, table 8.2 FOPs with online treatment prices.
[1306] Part A, section 10: Choice of treatments and referrals, subsection Even though referral provider options are often available, some pet owners are not given those options.
[1307] Part A, section 10: Choice of treatments and referrals, subsection Some pet owners are not given timely price information.

veterinary medicines from a third-party retailer, and 60% of the respondents did not attempt to compare prices for medicines.[1308]

14.49 We observe, as set out in more detail in part A, section 8, that pet owners struggle to obtain and interpret information on the quality of vet services. In particular:

(a) Veterinary businesses and the RCVS use a variety of approaches for measuring quality but these do not enable pet owners to compare FOPs and services effectively.[1309]

(b) FOPs' marketing and provision of information about the quality of their services is limited.

(c) Evidence from our pet owners survey indicates that many consumers do not take into account quality measures when choosing a FOP. For example, only 26% of respondents reported considering the services offered as a reason for choosing their FOP and nearly half of those respondents did not find details about these services on the practice website.[1310]

14.50 In other words, the provisions of the regulatory framework appear to have limited effect in helping consumers make informed choices and assuring them of, or offering them signals of, the quality of services (at least as far as veterinary businesses are concerned). We have assessed why. We set out below our consideration of each of the four matters referred to above.[1311]

The focus of the existing regulatory framework

14.51 The current regulatory framework has its origins in the 1960s.[1312] At that time, veterinary services were provided mainly by sole practitioners who owned their

[1308] Part A, section 11: Veterinary medicines, subsection There are several reasons why pet owners may not engage with the competitive offering of third-party retailers and do not take advantage of the potential savings available to them.
[1309] In Part A, section 8, Competition between FOPs, we describe how market participants recognise the difficulties in creating one or more holistic, objective and comprehensive measures that pet owners could use to compare quality. Some examples of quality indicators include: membership of the PSS (the limitations of which are explored in part A, section 8: Competition between FOPs) Net Promoter Scores (which are not designed for the purpose of enabling customers to compare quality), and online reviews which tend to be inconsistent and sometimes unreliable. Some of the LVGs have told us of internal clinical measures but these are not published and therefore not able to be used be pet owners looking to compare FOPs based on quality of service.
[1310] Pet owners survey, Q21.
[1311] The extent of the framework's focus on promoting competition; whether the scope of the framework is too narrow as far as veterinary businesses and matters of quality are concerned; the mechanisms for monitoring and enforcing compliance with regulation; and the complaints handling and redress mechanisms.
[1312] The VSA, which sets the statutory scope of the RCVS's powers, was introduced in 1966, and a Supplemental Royal Charter came into operation the following year (and the latter was superseded by a further supplemental charter in 2015).

practices. Veterinary care was much less focused on small animals and domestic pets than it is today.[1313] [1314]

14.52 A framework set up in that context is unlikely to have the degree of focus on promoting competition and protecting pet owners that is now appropriate in a much-changed market. That market now includes much higher levels of pet ownership, and a much larger proportion of non-vet owned businesses employing a range of business models and placing a greater emphasis on the provision of veterinary services as a commercial proposition.[1315] The concern that the framework is out of date and no longer appropriate for the market it seeks to regulate is widespread in the veterinary sector and the RCVS has been advocating regulatory reform for several years.[1316]

14.53 A key purpose of the framework reflected in the VSA is to regulate entry into the profession and oversee vets' professional conduct, to protect the public interest and safeguard animal welfare.[1317] To that end, the RCVS declaration on admission to the profession commits vets to ensuring the health and welfare of animals committed to their care above all else. The Code gives vets a range of responsibilities, but makes clear the primacy of animal welfare:

(a) The preamble says, '…. the professional responsibilities in the Code may conflict with each other and veterinary surgeons may be presented with a dilemma. In such situations, veterinary surgeons should balance the professional responsibilities, having regard first to animal welfare'.[1318]

(b) The first substantive provision of the Code – paragraph 1.1 – further provides that '…. veterinary surgeons must make animal health and welfare their first consideration when attending to animals'.[1319]

14.54 The RCVS has acknowledged to us, in the context of those provisions, that one:

[1313] Bruce Vivash Jones, The emergence of small animal practice in the UK, 18 December 2017 (accessed 29 January 2025).
[1314] And, where veterinary care was more focused on horses and farm animals, this was often a business to business service.
[1315] As further detailed in part A, section 2: Context for the veterinary services market.
[1316] The RCVS established a Legislation Working Party in 2017, made up of vet professionals, representatives of the BVA and BVNA and lay members, to examine regulation and make proposals for reform. It launched a public Legislative Reform Consultation in 2020 and a Report of its findings was published in June 2021. It has variously said of the VSA that it is, '… archaic and no longer fit for purpose for the 21st century veterinary professions' (Veterinary Legislation Review - Professionals) and, 'The VSA is in many ways an old-fashioned piece of legislation, overly restrictive and prescriptive, burdensome rather than principles-based, and unfit to underpin the work of a modern regulator or a modern profession.' (Executive summary - Professionals). This is also reflected in lifehaschanged.vet (accessed 29 January 2025). The Competition Commission also published a report which recommended regulatory reform within the context of veterinary medicines: Competition Commission, Veterinary Medicines – A report on the supply within the United Kingdom of prescription only veterinary medicines, Cm 5781, April 2003 (2003 CC Report)(accessed 7 October 2025).
[1317] RCVS Code. These objectives are also reflected in the objects of the College as set out in paragraph 3 of the Charter.
[1318] RCVS Code Preamble: About the Code of Professional Conduct.
[1319] RCVS Code, paragraph 1.1.

'…. may not necessarily feel [that] the consumer interest is always at the fore [of the Code] because what we are looking at is professional responsibilities in [vets] discharging their duties'.[1320]

14.55 We recognise the overriding importance of animal welfare and public health objectives in this sector. It does not seem to us, however, that they are incompatible with regulatory objectives relating to the promotion of competition and the protection of consumers. On the contrary, that range of objectives can be seen as complementary. If pet owners have insufficient protection and competition does not work well, their access to good quality and reasonably priced veterinary services, in the interests of their pets, is likely to be reduced.

14.56 In that regard, we observe that the provisions of the Code and Guidance (detailed above) that are designed to help consumers make choices appear to be flawed in at least two respects.

14.57 First, because at least some of the provisions take as their focus only the information consumers need to make choices once *in a FOP*, rather than when choosing which FOP to use (ie choosing *between FOPs)*. One example of this is the Code's requirement that vets give pet owners information about their practice and the costs of services and medicines. This is different from a requirement that veterinary businesses make that information available to prospective clients (ie pet owners who are choosing a FOP) in order to inform the choices those pet owners make and in ways that are liable to drive competition. The number of FOPs we have seen that have not published, or still do not publish, that information indicates the limitations of this provision.

14.58 Second, because some of those provisions which have a clearer focus on promoting competition are inappropriately targeted. An example of this is the provision in the Guidance that vets should communicate information about prescriptions, including displaying signs that tell pet owners that they can purchase prescribed medicines elsewhere. We have noted above the number of pet owners who, despite the Guidance, are unaware of their right to a written prescription. We describe in more detail in part A, section 11[1321] of this report our further provisional assessments to the effect that, in the context of the gateway role vets perform in the prescribing of medicines:

(a) this information may be helpful as far it goes, but it is not necessarily provided at the point at which pet owners make decisions about the medicines they buy and from whom;

[1320] RCVS meeting with the CMA on 16 October 2024, pp 6-7 [✂].
[1321] Veterinary medicines, subsection Vets within FOPs hold a 'gateway' role in the provision of medication.

(b) a significant number of pet owners are unaware of the savings they could make if they bought certain medicines from online pharmacies; and

(c) the current regulatory requirements do not open up the closed relationship that exists between vets and pet owners and drive competition between FOPs, and FOPs and online pharmacies, as effectively as they could in respect of medicines that have the potential to be contestable.

14.59 Stakeholders' submissions to us, and their responses to our working papers, have broadly supported our assessment. The RCVS's view of the consumer-facing provisions of the regulatory framework, for example, appears to us to be consistent with our assessment that their focus is on the choices pet owners make in FOPs, rather than between them. The RCVS has described its consumer work to us as involving:

> …. an offering to make sure that they [pet owners] have the right information so that their interactions with veterinarians, veterinary nurses and the practice as a whole is as productive as it possibly can be.[1322]

14.60 The RCVS has acknowledged that, '…. more can be done to ensure that consumers have access to the right information, at the right time, so they can make good choices for their pets and their pockets'.'[1323]

14.61 Although Medivet offered a slightly different perspective,[1324] the LVGs have generally indicated similar support. For example:

(a) IVC is '… supportive of regulatory reform to address the key issues identified in the WP,'[1325] including reforms to, for example, introduce requirements to publish price lists and improve pet owners' awareness of the availability of written prescriptions for medicines.[1326]

(b) CVS is, '….. generally supportive of regulatory reform' including the introduction of similar requirements to those identified by IVC.[1327]

(c) Pets at Home, '…. agrees that there is a need to update the current outdated regulatory framework and believes that the right regulatory reform needs to

[1322] RCVS meeting with the CMA on 16 October 2024, pp 6-7 [✂].
[1323] RCVS response to the February 2025 working papers, paragraph 12.
[1324] Saying that it, '… agrees with the CMA that there is room for improvement within the current regulatory framework' but also contending that the framework sufficiently takes into account consumer aspects. Medivet response to the February 2025 working papers, p 6.
[1325] IVC response to the February 2025 working papers, slide 0B.
[1326] IVC response to the Remedies Working Paper, pp 13 and 32.
[1327] CVS response to February 2025 working papers, pp 5, 6 and 8.

deliver a balanced outcome that is positive for customers, pets and veterinary businesses and professionals.'[1328]

(d) VetPartners, '…. agrees that the regulatory framework for veterinary services in its current form may not contain the appropriate balance of requirements and restrictions.'[1329]

(e) Linneaus is broadly supportive of the need to update the regulatory framework to better reflect the modern veterinary professional landscape in the UK, including that the RCVS has a limited remit and there are limits to the VCMS given its voluntary status.[1330]

14.62 Independent practices[1331] and individual professionals[1332] have consistently indicated their support for changes to the current regulatory framework. There is support across the profession for reform.

14.63 Our provisional view is accordingly that the origins and focus of the current regulatory framework are a significant limitation on the way it operates as a tool for promoting competition and producing good outcomes for pet owners.

The limited scope of the regulatory framework

14.64 The regulatory framework applies only to individual vets and nurses.[1333] It does not apply to veterinary businesses[1334] and non-vets who own and work in them. In the following paragraphs we set out our provisional assessment of how that restricted scope, and the failure of the regulatory system to give pet owners effective indicators of the relative quality of the services available to them, affects competition. As part of that assessment, we consider the effectiveness of the RCVS's voluntary Practice Standards Scheme (**PSS**).

The regulation of non-vets and veterinary businesses

14.65 We describe in part A, section 2 of this report[1335] how the market for the retail supply of FOP services has undergone radical transformation, with LVGs now

[1328] Pets at Home response to the February 2025 working papers, p 7.
[1329] VetPartners response to the 'Regulatory framework for veterinary professionals and veterinary services' working paper, paragraph 1.2.
[1330] Linnaeus response to the February 2025 working papers, paragraphs 7.2, 7.5 and 7.12. Noting that its own experience with VCMS has been positive.
[1331] XL Vets (who are owned by 67 independent practices), for example, which said, 'We particularly welcome and support the recognition of need for increased transparency of information for clients in areas of veterinary practice and business ownership, treatment options and prices; new legislation; and an appropriate regulatory balance.' (XL Vets response to February 2025 working papers, p 1).
[1332] One vet told us, for example, that, '… there needs to be widespread change' to legislation ([✂] response to February 2025 working papers, pp 5-6). Another stated that 'the current regulatory framework does not contain the right balance of monitoring, enforcement and redress to support the competitive process' ([✂] response to February 2025 working papers, p 7).
[1333] Save in certain respects relating to medicines under the VMRs.
[1334] Which may choose to join the voluntary PSS.
[1335] Part A, section 2: Context for the veterinary services market.

providing around 60% of those services alongside a range of other veterinary businesses and sole practitioners. That development could be seen as having at least two implications as far as the regulatory framework, and the consequences for competition, are concerned.

14.66 One is that, when they are choosing their vet (or, rather, their FOP), pet owners will very often be making a choice between providers that include among their number corporate veterinary businesses. They will not just be choosing between individual vets (eg sole practitioners or small partnerships), as will have been the case to a much greater extent in the past.

14.67 A second is that those veterinary businesses are increasingly owned or managed by non-vets. There is a range of people (shareholders, investors and managers) who have significant influence over the decisions veterinary businesses make in relation to the range, quality and price of the services they provide, and over the conduct of the vets and vet nurses they employ.

14.68 Those decisions might involve setting prices and will likely affect what information is provided to pet owners (about, for example, services, prices, quality and treatment options) on websites and in the consulting room. They may also determine consultation times, create protocols and practice guidance, determine staffing levels and experience, training, equipment or other investment, or set KPIs and how they are monitored within a business.

14.69 Each of those decisions is made outside the scope of the regulatory framework, and often by (or under the significant influence of) unregulated non-vets who may not be physically proximate to, or working closely with, the vets practising in FOPs. This could be seen as creating a disconnection between those with responsibilities under the current regulatory framework (individual vets) and those with much of the power to ensure that these responsibilities are met (non-vet owners and managers, and businesses).

14.70 For example, paragraph 4.3 of the Code requires that ‘Veterinary surgeons must maintain minimum practice standards equivalent to the Core Standards of the RCVS Practice Standards Scheme’. In some practices achieving these standards may not be within the control of an individual vet and will depend on decisions being taken by the business that employs them.

14.71 Such a disconnection may be a less serious problem in the context of smaller vet practices, especially where they are vet-owned. In such cases, the people controlling the business are either regulated themselves (because they are vets) or are working directly very closely with regulated vets who are delivering a service on behalf of the business. However, with larger groups the disconnection may be quite pronounced, both in terms of the number and seniority of unregulated persons taking or influencing decisions about the business that have operational

consequences and in terms of the distance between them and the regulated vets and vet nurses delivering veterinary care.

14.72 The absence of regulation for veterinary businesses appears to us to be a plausible part of the explanation of why, for example, relatively few veterinary businesses have until now published information about their services and prices or their ownership. They have not done so because they do not have to.

14.73 Again, the responses to our working papers have indicated broad support for our assessment that a significant shortcoming of the regulatory framework is that it does not apply to veterinary businesses and non-vets who own and work in them. The RCVS, for example, told us that:

> …. we believe that the key change required to bring about improvements to consumer protection, standards within veterinary practice, and support for veterinary professionals working within clinical practice, would be for the RCVS to implement a scheme of mandatory practice regulation. To achieve this, new legislation is required. The RCVS has been pushing for such legislation for many years, as the Veterinary Surgeons Act 1966 (VSA) is out of date – a point well understood in the Working Papers.[1336]

14.74 The BVA, BVNA, BSAVA, SPVS, VMG, meanwhile, said:

> We particularly welcome the CMA's recognition that Veterinary Surgeons Act 1966 is outdated and has not kept up with changes in the industry. As we have explained, alongside the RCVS, BVA and BVNA are lobbying for legislative reform ….. including …. mandatory practice regulation.[1337]

14.75 With the exception of Medivet, all LVGs indicated their support for the regulation of veterinary businesses.[1338] Linnaeus, for example, said such regulation would, '…. Reflect[s] modern business ownership models, ensures accountability beyond individual vets and could support consistency of standards and clinical independence'.[1339] IVC told us that it supports, '… extending the … regulatory regime to vet businesses…'.[1340] VetPartners said it 'feels strongly that any enhanced regulation should apply to individual vets, practices and possibly to the

[1336] RCVS response to the February 2025 working papers, paragraph 13.
[1337] BVA, BVNA, BSAVA, SPVS, VMG response to the February 2025 working papers, paragraph 6 and BVA policy position - legislative reform (accessed 7 October 2025).
[1338] Medivet have told us that they believe that regulating the practitioners in the sector is pivotal and that regulating businesses would create a duplicate layer of regulation and red tape, while risking removing the personal responsibility of those making clinical decisions. Medivet also said that the goal of increased responsibilities for businesses could be achieved through changes to the PSS. Medivet response to the Remedies Working Paper, p. 71.
[1339] Linnaeus response to the Remedies Working Paper, p 49.
[1340] IVC response to the Remedies Working Paper, p 51.

group. This would necessarily mean that those with operational control of the business at all levels are responsible for regulatory compliance'.[1341]

14.76 The same view is reflected in other parts of the profession. XL Vets, for instance, told us that:

> We concur with the CMA's findings that current regulatory frameworks inadequately address non-veterinary business ownership. We fully support that this must be addressed.[1342]

Quality

14.77 We have referred above to, and described elsewhere in this report,[1343] the difficulties that exists in this market because the quality of FOP services is hard for pet owners to judge and because it is difficult to measure and communicate quality to them. In those circumstances, regulation has a role to play in giving pet owners both (i) assurances of the minimum or baseline levels of quality all vets and FOPs offer; and (ii) indicators of the relative quality of their services.

14.78 We describe above[1344] the ways in which the regulatory framework provides those minimum or baseline assurances as far as individual vets are concerned. What it does not do, however, is provide indicators that enable pet owners to differentiate between FOPs (or vets) on the basis of their relative quality. That is important where, to make an informed choice about whether to choose between FOPs or services at different prices, pet owners need to know the relative quality of those services but are unlikely to be able to judge that for themselves.

14.79 In some professional services, regulation seeks to provide these indicators through systems of compulsory inspection and rating. Those operate in, for example, human healthcare (overseen by the Care Quality Commission) and in education (overseen by OFSTED). Such a system does not exist in the market for the retail supply of veterinary services by FOPs.

Attempts to fill the regulatory gap: the PSS

14.80 The RCVS has sought to fill the gap in the regulation of veterinary businesses, and the measurement of their quality, with its PSS.[1345] This is a voluntary accreditation

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[1341] VetPartners response to the 'Regulatory framework for veterinary professionals and veterinary services' working paper, paragraph 3.2.
[1342] XL Vets response to February 2025 working papers, p 6.
[1343] For example, part A, section 8: Competition between FOPs, subsection Measures of quality.
[1344] Subsection: Assuring competence, quality and conduct.
[1345] CMA meeting with the RCVS on 16 October 2024, p 61. [✂].

scheme which aims to 'promote and maintain the highest standards of veterinary care' by offering practices a framework of good practice standards.[1346]

14.81 The PSS operates in accordance with the RCVS's Practice Standards Rules.[1347] Different categories of accreditation are available, depending on the type of premises, services offered and species treated,[1348] including: Core Standards; General Practice (GP); Emergency Service Clinic (Small Animal); and Veterinary Hospital. Each category of accreditation comprises a number of modules,[1349] and practices must meet the requirements in each module to achieve accreditation.

14.82 Practices can separately apply for additional awards. These relate to areas such as Team and Professional Responsibility; Client Service; Patient Consultation Service; Diagnostic Service; In-patient Service; and Emergency and Critical Care Service.[1350] For these awards, practices are assessed on a point scoring basis and given a rating of good if they score 60% or above or outstanding for 80% or above.

14.83 The scheme is funded by annual membership fees. Around 69% of eligible practices have joined it[1351] and we understand that all LVG-owned practices are part of it, or in the process of joining.

14.84 When practices seek to join the PSS, they must achieve Core Standards accreditation within 12 months. They are thereafter assessed in person[1352] by an assessor every four years and must make an annual declaration to the RCVS that they are compliant with the standards of each accreditation (and any voluntary awards) they have obtained. Interim 'spot checks' can also be carried out, on a targeted or randomised basis and with or without prior notice.

14.85 The rules of the scheme[1353] say that, 'A practice should display their accreditation certificate and awards summary (excluding the annex) in a prominent public place of the practice, or make them available on request'. The RCVS website lists ways for practices to promote their accreditation[1354] and its 'Find a Vet' function promotes practices' accreditations automatically (and, within that function, pet owners can search specifically for accredited practices).

[1346] RCVS, Practice Standards Scheme (accessed 7 October 2025).
[1347] RCVS, Practice Standards Rules, 8 May 2024 (accessed 7 October 2025).
[1348] RCVS, Practice Standards Scheme (accessed 7 October 2025).
[1349] Set out in the PSS Small Modules and Awards. There are modules on Anaesthesia, Clinical Governance, Client Experience, Dentistry, Diagnostic Imaging, Infection Control and Biosecurity, In-patients, Laboratory and Clinical Pathology, Medicines, Medical Records, Nursing, Out-of-Hours, Out-Patients (First Opinion), Pain Management and Welfare, Practice Team, Premises, Surgery and Environmental Sustainability. There is a module on Emergency and Critical Care which is only applicable to the Emergency Service Clinic accreditation.
[1350] RCVS, Practice Standards Scheme, PSS Awards (accessed 5 September 2025)
[1351] RSVS, Practice Standards Scheme (accessed 7 October 2025).
[1352] By a current vet or vet nurse with at least five years' registration with the RCVS.
[1353] Practice Standard Rules, rule 33 (accessed 7 October 2025).
[1354] RCVS website (accessed 7 October 2025).

Assessment of the PSS

14.86 The PSS is in some respects an attempt to apply a measure of regulation to veterinary businesses that may produce better outcomes for consumers. One of the modules included in the Core Standards, General Practice and Veterinary Hospital accreditations is 'Client Experience' that requires, among other things, that practices have: an effective means of communication with pet owners; systems to consider and respond to complaints; protocols for how treatment options are discussed; and a system for updating pet owners on fees.[1355]

14.87 Some stakeholders have commented positively in this respect. The National Office for Animal Health (**NOAH**) has told us, for example, that the PSS, 'encourages best practice, including in areas such as how prices are communicated to consumers'.[1356]

14.88 A data-gathering exercise conducted by the RCVS with practices participating in the PSS between May 2022 and October 2024 found that, on a scale of 0-5, 982 practices returned an average score of 4 when asked about the relevance of the PSS standards to their work.[1357]

14.89 We have been told that PSS accreditation may make practices more attractive to prospective employees.[1358]

14.90 The scheme has some potential to give pet owners indicators of the relative quality of services offered by veterinary businesses. As a voluntary scheme, in which accredited practices can obtain additional awards in areas including Client Service, and for which they may be rated good or outstanding, the scheme enables practices to distinguish themselves on the basis of aspects of their quality if they choose. That, in turn, could help consumers make informed choices that drive competition.

14.91 In that connection:

(a) VetPartners has told us that it places value on the PSS as it, '….ensures that both clients and VetPartners employees have confidence in a consistently high quality service offering across the VetPartners Group'.[1359]

(b) Pets at Home said that, '…. most [Pets at Home] practice owners recognise the value to their business of participating in the PSS as it helps to demonstrate to customers and potential customers that the practice meets high standards of quality care and service, helps develop and maintain

[1355] RCVS, PSS Small Animal Modules and Awards (accessed 7 October 2025).
[1356] NOAH Response to the Consultation, 11 April 2024, p 2.
[1357] RCVS response to RFI3, Q10. [✂].
[1358] Discussion with the CMA's Veterinary Advisory Panel.
[1359] VetPartners response to the 'Regulatory framework for veterinary professionals and veterinary services' working paper, paragraph 4.3.

structured protocols and best practice and ensures compliance with the latest regulations'.[1360]

(c) A medium-sized independent practice told us that the, 'PSS with awards is good at showing which practices are genuinely trying to achieve good standards for their clients'.[1361]

14.92 However, we observe shortcomings in the current scheme, both in the way it seeks to regulate veterinary businesses and in the way it gives pet owners indicators of their relative quality. These shortcomings relate to its voluntary nature; the limited monitoring of the scheme's effectiveness; the limits of the substantive requirements that it imposes; its focus on inputs and processes, and the administrative burden it places on FOPs; the low levels of pet owner awareness of the scheme; and the limited extent to which it can be seen as a coherent scheme for indicating relative service quality.

14.93 In light of those shortcomings, our provisional view is the same as that expressed to us by the BVA, BVSAVA, PVSA, SPVS and VMG, that, '… attempts to fill the regulatory gap through the PSS have not been as effective as they need to be'.[1362]

The nature of the scheme

14.94 The PSS could, as we say above, operate as an indicator of veterinary businesses' relative quality. But its voluntary nature is an important drawback because it means that the scheme cannot be used to regulate veterinary businesses more broadly.

14.95 In a well-functioning market with an effective system of regulation we might expect to see a scheme in which certain core standards are mandatory for all practices and where additional awards, that provide differential indicators of quality, are voluntary. In that way, a scheme could both provide for effective regulation of veterinary businesses and send quality signals to pet owners that could inform their choices and add a competitive dynamic to the market.

14.96 That, however, is not how the PSS operates. Almost a third of FOPs are not signed up even to its core standards. They are not subject to any form of practice or quality regulation. There are no mechanisms to compel their membership. Nor are there mechanisms to enforce compliance by those who are members. Where

[1360] Pets at Home response to the February 2025 working papers, paragraph 6.20.
[1361] This practice did note that these awards need to be explained to consumers for them to be able to be understood. [✂] response to Remedies Working Paper, pp 2 and 7.
[1362] Although they did note that the PSS has done much to raise standards, and changes have been made in recent years to develop the scheme and make it more accessibly for a wider range of practices, with assessments now a much more collaborative and positive process. BVA, BVSAVA, PVSA, SPVS and VMG response to the February 2025 working papers, paragraph 23.

a practice is not compliant, it can choose not to join or (if it is a member) to leave. The RCVS's only sanction is the withdrawal of accreditation.

14.97 Stakeholders have noted this shortcoming:

(a) The RCVS Legislation Working Group has said the PSS '…is a voluntary scheme and as a result there is no mechanism to ensure standards across all practices through assessments'.[1363]

(b) The Federation of Independent Veterinary Practices (**FIVP**) told us that, '… whilst the PSS aims to promote high standards of veterinary care, its voluntary nature limits its effectiveness' and leads to a, '… fragmented approach to maintaining standards'.[1364]

Monitoring effectiveness

14.98 Practices are reassessed for accreditation every four years and must annually declare their compliance with the scheme's standards, but there is limited scrutiny between assessments.[1365] The RCVS does conduct interim spot checks, but these are rare: between October 2021 and November 2024, eight spot checks were carried out.[1366] The RCVS has no powers to compel vet practices to provide information or submit to inspection.

14.99 The British Veterinary Union (BVU) told us that inspections occur 'too infrequently' and that it has, '… found unlawful health and safety practices in operation on premises compliant with the PSS.'[1367] VetPartners offered us a similar assessment, telling us that, '… the current four-year period between assessment levels leaves too much time during which standards may slip at some practices.'[1368]

14.100 Even where there is (periodic) assessment, there appear to be difficulties which might limit the improvements to standards and outcomes for pet owners that the scheme might otherwise provide. An RCVS Knowledge survey in 2020 found that:

(a) there are mixed views on the extent of sustainable change that results from a practice being assessed: whether a practice implements changes after being

[1363] This is set out in LWP update 1: assuring practice regulation, July 2020 and Working Group established to develop mandatory vet practice regulation, 12 January 2024 (accessed 7 October 2025).
[1364] FIVP response to the February 2025 working papers, p 5.
[1365] Though we note that inspections are carried out by the VMD in relation to the storage and use of medicines and that these may detect shortcomings in professional standards.
[1366] RCVS response to RFI3, Q11. [✂].
[1367] BVU Response to the Remedies Working Paper, paragraphs 3.2.110 and 2.5.9.
[1368] It said that it has initiated check-ins between inspections aimed at ensuring standards are consistently met. VetPartners response to the 'Regulatory framework for veterinary professionals and veterinary services' working paper, paragraph 4.5.

assessed can depend on its general improvement culture and self-motivation;[1369] and

(b) the four-year gap between assessments can mean motivation and progress drops over that period, particularly for smaller practices that do not have the same processes in place as larger groups.[1370]

Substantive requirements

14.101 The focus of the Client Experience module and Client Service award of the PSS[1371] is on a limited range of what might be described as 'client care' requirements within a FOP.

14.102 The requirements of the Client Experience module at Core Standards level, for example, are that:

(a) the practice must have an effective means of communication with its clients;

(b) the practice must have a system for updating its clients on fees on a frequent basis and for alerting them as soon as practicable when fees reach or exceed the estimate or agreed fee interval;

(c) it must have a means of recording and considering client complaints;

(d) veterinary surgeons in the practice must respond promptly, fully and courteously to clients' complaints and criticisms;

(e) the practice must have an effective system for referring all patients; and

(f) it must have a written protocol outlining how options are discussed and/or information is provided to clients on cremations and the destination of pets' ashes.

14.103 The additional requirements of that module at the higher General Practice level, are that:

(a) there must be sufficient telephone capacity and human resources to meet the practice's workload;

[1369] RCVS K, *Assessing the landscape and future actions for quality improvement in the veterinary sector* (2020). The findings also indicated that activities relating to quality improvement often become more formalised after an independent practice is adopted by a large group and that there will be, '… more pressure from senior management to report on progress and to get PSS accreditation to ensure all practices within the large practice group are providing a standard level of care.'
[1370] RCVS K, *Assessing the landscape and future actions for quality improvement in the veterinary sector* (2020).
[1371] RCVS, PSS Small Animal Modules and Awards (accessed 7 October 2025).

(b) clients are aware of the identity of team members responsible for their animal's care;

(c) all relevant team members are trained in offering appropriate treatment options, considering animal welfare, financial considerations and pet owner expectations;

(d) there is an efficient system for regular and timely invoicing;

(e) team members should be effective at prioritisation of emergency cases;

(f) there must be a written policy to deal with clients' complaints or criticisms and the practice must keep a record of complaints and responses; and

(g) insurance claims are handled efficiently and in a timely manner.[1372]

14.104 These requirements are helpful as far as they go. Pet owners may prefer to choose a FOP that meets them. They do not, however, go as far as we might expect in an effective system of veterinary business regulation that helps pet owners make choices between FOPs and promotes competition. Such a system could do so by, for example, also requiring businesses to publish information about services and prices. The PSS does not do that.

Focus on inputs and processes, and administrative burdens

14.105 A number of stakeholders have put to us that the PSS is overly focussed on inputs rather than promoting and measuring outcomes, and unduly administratively burdensome.

14.106 [✂].[1373]

14.107 The British Veterinary Union (BVU) echoed this point, telling us that the, '… current PSS scheme is too input driven'.[1374] The PDSA, meanwhile, said that the scheme is more of an, '… indicator of compliance and having business processes in place, which may give reassurance, but is not a direct indicator of service quality'.[1375]

14.108 Some independent practices made similar submissions, telling us that they have not joined the scheme, or have left it, because they consider it to be a resource intensive bureaucratic exercise and accreditation does not appear to matter much

[1372] Even for Veterinary Hospital accreditation (ie the highest band), there is only one further requirement, namely. that the practice must have a means of encouraging feedback from clients and acting upon the results of feedback.
[1373] [✂] response to RFI5, Qs 8 and 9. [✂].
[1374] BVU Response to the Remedies Working Paper, 3.2.110 and 2.5.9.
[1375] PDSA response to the Remedies Working Paper, p 22. The PDSA also told us that despite a number of historical attempts to engage with RCVS (jointly undertaken by the major charities and aimed at making the PSS accessible to us at the level we wish to join), the joint charity proposals to overcome the barriers have not been taken forward.

to pet owners.[1376] One independent said the PSS is, '…. all paperwork and box ticking. Having worked in practices with accreditation and without, I see no difference in day-to-day standards'.[1377] Another said that the scheme's emphasis, '…needs to be a lot more on assessing the care provided rather than the documentation stored'.[1378]

14.109 Some submissions commented specifically on the administrative burden the scheme creates:

(a) Our Vets Advisory Panel told us that the assessment process can be very time consuming, and this is a particular challenge for smaller practices with fewer dedicated resources to devote to administrative exercises.[1379]

(b) Linnaeus said that, 'PSS assessments currently create a significant burden on workload during the period in which a practice is being assessed'.[1380]

(c) An independent vet practice which has participated in the PSS since its inception told us that the administrative burden involved has increased significantly in recent years, placing considerable pressure on veterinary practices, particularly smaller, independent ones.[1381]

(d) Vets who have recently set up new practices told us that being part of the scheme required upfront costs and onerous ongoing time commitments.[1382]

Pet owner awareness

14.110 There is evidence of low awareness of the PSS among pet owners. In our survey of them, only 7% were familiar with the scheme.[1383] Of that small proportion, 64% said that it had not affected their choice of FOP.[1384] The RCVS has confirmed that

[1376] For example, one independent practice told us that 'the current PSS (which it is deliberately not part of) is a very bloated tick box exercise that is more just a paperwork trail [and] client awareness of it is very limited'. An Independent [✂] response to the Remedies Working Paper, p 3. Similarly, another independent practice told us that they 'do not currently participate in the RCVS PSS due to the administrative burden of the box ticking exercise and lack of awareness and relevant to clients'. The same practice noted that it is inspected by the VMD at regular intervals and this feels beneficial to it. An independent [✂] response to the Remedies Working Paper, p 3.
[1377] Respondent 26 response to the Remedies Working Paper, p 2.
[1378] [✂] response to RFI5, Q18. [✂].
[1379] Discussion with the CMA's Veterinary Advisory Panel.
[1380] Linnaeus response to the Remedies Working Paper, p 49.
[1381] Respondent 12 response to Remedies Working Paper, p 21. This practice also noted that they consider it an important marker of quality which could be better understood by pet owners.
[1382] Summary of roundtable discussion with vets who recently set up a practice, paragraph 15. Some participants also noted that it was easier for large corporate groups to manage this process. Most attendees also noted that consumer awareness of the scheme was low. An independent vet has also told us that scheme is "too onerous to complete in the early years of practice because the time and the staff required to complete it represents a significant burden" (King Street Vets response to the Remedies Working Paper, p 4).
[1383] Pet owners survey, Q122.
[1384] Pet owners survey, Q123.

the ‘Find a Vet’ webpage has on average 85,807 users per month, but only around 3% of users search specifically for accredited practices.[1385]

14.111 We have seen some consensus among vets that pet owners tend not to be aware of the scheme or otherwise appreciate its value.[1386] In some instances, this has influenced a practice’s decision not to join the PSS or to leave the scheme.[1387]

14.112 The RCVS told us that it would like awareness of the PSS to be higher, but emphasised the budgetary constraints limiting its promotion.[1388] Where pet owners do not know about the PSS, its potential to discipline the conduct of veterinary businesses, either by joining the scheme in the first place or by meeting its standards, is likely to be limited.

The PSS as an indicator of relative service quality

14.113 We have noted above the potential for the PSS to indicate the relative quality of FOPs’ services. The scheme may, in the absence of mandatory practice regulation, be the current best option for providing that indication. It is, nonetheless, subject to some significant limitations in that regard.

14.114 The FIVP told us early in our investigation that, ‘The … PSS is a voluntary scheme and many practices have chosen to be assessed to ‘core’ standards only. However, ‘core’ standards represent the minimum legal operation of a veterinary business and should be in place regardless of the … PSS’.[1389]

14.115 RCVS research suggested that most pet owners assume all practices are regulated anyway. When choosing a FOP, they do not look for a ‘kite mark’ because they do not think they need to.[1390]

14.116 What these points reflect, in our provisional view, is that the PSS is not a coherent or effective scheme for signalling the quality of FOPs’ services. It does not, for example, ensure a minimum level of quality which *all* FOPs meet, and then enable those who offer a higher quality of services voluntarily to obtain awards that

[1385] An average of 2571 users (3%) a month. RCVS letter to the CMA dated 2 December 2024. [✂].
[1386] For example, [✂] response to Remedies Working Paper stated that “currently most members of the public know nothing of the scheme and therefore do not place any importance in it when selecting a FOP.” Similarly, an independent vet practice told us that “clients aren’t aware of it, don’t understand it and don’t use it to choose a veterinary practice.” [✂] response to Remedies Working Paper, p 40. Vets working at large corporate groups have also noted that the PSS could be improved by ensuring it is “better communicated to, and understood by, customers” Summary of vets who work at large corporate groups roundtable discussions, p4.
[1387] See the responses to our working papers from some independent practices referred above in subsection: Focus on inputs and processes, and administrative burdens.
[1388] CMA meeting with the RCVS on 16 October 2024, p 62 [✂].
[1389] FIVP response to the Issues Statement, p 4.
[1390] CMA meeting with the RCVS on 16 October 2024, p 62 [✂].

distinguish their offering. Nor does it operate as the kind of system of compulsory inspection and published rating that operates in other sectors.[1391]

Potential changes to the PSS requirements

14.117 We understand that the RCVS is working to update its PSS framework. We understand that the Core Standards for the Client Experience and Medicines modules may be supplemented with additional new 'consumer facing' standards next year, subject to final agreement by RCVS Committees and Council. We are encouraged by these proposals which could, in principle, relate to some of the concerns we outlined above regarding the substantive requirements of the PSS.

14.118 However, we do not consider that these proposals materially affect our assessment of any AEC insofar as it relates to the regulatory framework, for two reasons. First, they are proposals only and have no impact unless and until they are implemented within the scheme in practice. Second, even if implemented, these changes would not address some of the key problems we have identified with the PSS, such as its voluntary status and limited coverage of the market, and the limited powers of the RCVS to effectively monitor and enforce compliance with the scheme.

Monitoring and enforcement of regulatory compliance

14.119 A regulatory framework that effectively mitigates the risks of market failure we identified earlier in this section would not contain only appropriate substantive requirements. It would also equip the regulator with effective monitoring and enforcement mechanisms – proportionate investigative and adjudication powers and the ability to impose a range of sanctions – so that providers are incentivised to comply with the substantive requirements because they know that, if they do not, they face a realistic threat of enforcement action.

14.120 Such mechanisms do not, however, appear to operate in the current regulatory framework for veterinary services because:

(a) In terms of monitoring compliance:

(i) the process of annual renewal of registration for vets and nurses does not enable the RCVS robustly to assess professional competence or fitness to practise;

(ii) the RCVS operates a reactive approach driven by complaints made to it by members of the public and the profession; and

[1391] Like those in human healthcare (overseen by the Care Quality Commission) and in education (overseen by OFSTED).

(iii) the RCVS's ability to monitor and assess compliance is limited by its lack of statutory powers, including to gather information and to enter and inspect premises.

(b) In terms of enforcement:

(i) the formal scope of RCVS disciplinary action is limited to a narrow category of serious misconduct cases; and

(ii) the range of sanctions available to the RCVS is too narrow and the effectiveness of those sanctions is too limited.

Monitoring compliance

14.121 In requiring them only to confirm their registration and contact details, to declare any criminal convictions and pay a fee, the process for annual renewal of vets' and vet nurses' registrations gives the RCVS limited ability to monitor their competence and fitness to practise.[1392] [1393] This contrasts with the revalidation processes in other health professions, such as those administered by the GMC or Nursing and Midwifery Council (**NMC**), which require: an annual appraisal, a recommendation from a responsible officer or suitable person,[1394] a declaration of fitness to practise, undertaking hours of CPD and submitting written reflective accounts of their professional experiences.[1395]

14.122 The RCVS has told us that it operates a 'reactive, complaints-based system of investigation'[1396] in which its enforcement activities are driven by the complaints made to it by members of the public and the profession.[1397] It collates information from members of the public who raise concerns with it.[1398] Its advice team registers all requests for advice from members of the public and veterinary professionals.[1399] The VCMS refers complaints and allegations of serious professional misconduct to the RCVS. The RCVS does not actively monitor the sector to identify regulatory non-compliance and does not adopt a risk-based approach to identifying areas of concern.

[1392] This is set out at 'Renew your registration' (accessed 7 October 2025).
[1393] Vets should report their compliance with CPD requirements (35 hours a year) to the RCVS, but it cannot take any automatic disciplinary action where they fail to comply and, in this situation, it will only write to non-compliant vets to encourage their compliance. RCVS meeting with the CMA on 16 October 2024, p 50. [✂].
[1394] Revalidation requirements for doctors - GMC (accessed 7 October 2025).
[1395] What is revalidation? - The Nursing and Midwifery Council (accessed 7 October 2025).
[1396] RCVS Response to the Issues Statement, 30 July 2024 (**RCVS IS Response**), p 17. The RCVS also notes that it 'couple[s] this with a more proactive programme of education and culture change that promotes compliance.'
[1397] It also relies on such complaints to highlight whether vets are not complying with good practices on contextualised care. RCVS meeting with the CMA on 16 October 2024, p 39. [✂].
[1398] And, if required, may seek further information from individuals and FOPs about whom or which concerns are raised and from relevant witnesses. RCVS, How we assess and investigate concerns raised about you - Professionals (accessed 6 August 2025).
[1399] RCVS response to RFI3, Q4. [✂].

14.123 The RCVS also told us that its ability to monitor and assess compliance with regulation is limited by its lack of statutory powers, including to gather information and to enter and inspect premises.[1400] Its position again contrasts with that of other regulators. For example:

(a) In the veterinary sector, the VMD has powers of entry, inspection and to serve improvement notices in pursuit of its statutory objectives relating to veterinary medicines.[1401]

(b) In the human healthcare setting, the GPhC has powers to conduct unannounced visits, both routine and intelligence-led, to assess evidence about whether professional standards are being met.[1402] The Care Quality Commission is able to enter premises to investigate professional conduct or standards concerns.[1403] The power to request information such as clinical records is common amongst healthcare regulators.[1404]

(c) Other professional regulators such as the SRA can compel the production of documents and require individuals to submit to interview.[1405] The FCA is also able to enter premises in the exercise of its functions.[1406]

Enforcing compliance

Restrictions on formal disciplinary proceedings

14.124 The VSA[1407] requires the RCVS to investigate cases in which a vet is liable to be removed or suspended from the Register (and thus barred from practice). It defines those cases as involving:

(a) conviction of a criminal offence which, in the opinion of the RCVS's Disciplinary Committee (**DC**), renders a vet unfit to practise veterinary surgery;

[1400] The RCVS Legislative Reform Consultation Report 2021 recommended powers of entry for the RCVS and noted: 'The RCVS has no power of entry, meaning it does not have the right to enter a veterinary practice without consent. In most cases, this does not pose a problem in terms of investigating allegations of serious professional misconduct. However, where there are allegations that a veterinary surgeon has breached paragraph 4.3 of the RCVS Code of Professional Conduct, which states that 'veterinary surgeons must maintain minimum practice standards equivalent to the Core Standards of the RCVS PSS,' powers of entry would be useful. This is because, if a veterinary surgeon refuses entry, it is extremely difficult, if not impossible, for the RCVS to investigate allegations of this nature'. Recommendation 3.2, p 29, paragraph 65 (accessed 7 October 2025).
[1401] Regulations 34-35 and 38 of the VMRs. More details on the VMDs inspection and enforcement policy are set out in VMD Guidance, Enforcement policy for animal medicines.
[1402] GPhC, Carrying out inspections (accessed 29 January 2025).
[1403] CQC, How we gather evidence - Care Quality Commission (accessed 7 October 2025) and Section 62(2) of the Health and Social Care Act 2008.
[1404] For example, Health Professions Council, Power to require the disclosure of information and to summon witnesses (accessed 7 October 2025). GDC, How we investigate public protection issues or concerns (accessed 7 October 2025). GOC, How we investigate a concern (accessed 7 October 2025).
[1405] SRA, How we gather evidence in our regulatory and disciplinary investigations (accessed 7 October 2025).
[1406] FCA, FCA Handbook - ENFG App 1.7 Search and seizure powers (accessed 7 October 2025).
[1407] VSA, section 15.

(b) conduct judged by the DC to be disgraceful conduct in any professional respect; or

(c) fraudulent entry on to the Register.

14.125 The VSA enables the DC to remove from the Register, or suspend registration of, a vet found liable for one of these things.

14.126 The RCVS's statutory enforcement powers are therefore narrow. 'Disgraceful conduct in a professional respect', for example – more commonly referred to as 'serious professional misconduct'[1408] – is a small category including only the worst forms of behaviour. The courts have treated it as conduct that has fallen far short of the standard to be expected of a reasonably competent veterinary surgeon or veterinary nurse.[1409] It is more than negligence[1410] and could include very poor professional performance where there are serious departures from the standards set out in the Code, fraud or dishonesty, criminal convictions or cautions.[1411]

14.127 The Guidance adds a condition to the exercise of these (already narrow) powers.[1412] It says that, for a case to be referred to the DC under the RCVS's formal disciplinary process,[1413] the reference must be in the public interest. That public interest is defined as having three elements, which are, it appears to us, defined principally by reference to considerations other than the promotion of competition and the protection of pet owners as consumers:

(a) protection and promotion of the health and welfare of animals and the protection of public health;

(b) promotion and maintenance of public confidence in the veterinary profession; and

(c) promotion and maintenance of proper professional standards and conduct in the veterinary profession.[1414]

(d) Serious cases which do not meet the public interest threshold may instead be referred to a 'Charter Case Committee' (**CCC**).

[1408] RCVS, Serious professional misconduct and negligence explained (accessed 7 October 2025).
[1409] *Kirk v Royal College of Veterinary Surgeons* [2004] UKPC 4 and also RCVS, Serious professional misconduct and negligence explained (accessed 7 October 2025).
[1410] The test for serious professional misconduct is higher than the test for negligence, which is considered to be conduct that falls short (or below) the standard to be expected of a reasonable competent veterinary surgeon or veterinary nurse, but not far short of (or far below) that standard, such that it amounts to serious professional misconduct affecting fitness to practise. This is set out at RCVS, Serious professional misconduct and negligence explained (accessed 7 October 2025.
[1411] RCVS, Serious professional misconduct and negligence explained (accessed 7 October 2025).
[1412] In addition to the requirements relating to the seriousness of a vet's misconduct.
[1413] Which we describe more fully below.
[1414] RCVS, Disciplinary Committee Procedure Guidance, 26 August 2020.

14.128 The effects of the restricted powers are reflected in the numbers and types of cases referred to the DC and in which it has made findings of serious professional misconduct. They seem to reflect that cases involving the kinds of consumer-facing requirements of the Code described above,[1415] largely fall outside the scope of formal disciplinary action.

14.129 In terms of the numbers of cases, we understand that, of the 3,540 enquiries[1416] made to its Professional Conduct team between October 2023 and September 2024, 692 were 'registered concerns' deemed by the RCVS to relate to potential professional misconduct. The remainder were directed away from the RCVS for resolution, for example to the relevant vet practice or to the VCMS. Of those 692 cases, only 22 appear to have progressed to a full disciplinary hearing.[1417]

14.130 In terms of types of cases and outcomes, the DC has issued 17 warnings or reprimands in the last five years. The CCC has only issued 3 warnings since its inception in 2023.[1418]

14.131 Recent cases in which the DC has found serious professional misconduct include:

(a) A vet who failed to euthanise a cat then performed a castration, removed the cat's microchip, and took it home without the consent of its owner. The vet also failed to make adequate clinical records.[1419]

(b) A vet who was found to have made a number of dishonest and misleading failings relating to his certification of veterinary export health certificates, creating a risk of serious harm to animals and the public.[1420]

(c) A vet who was found to have engaged in dishonest conduct, namely false insurance claims in the course of his employment.[1421]

(d) A vet found guilty of a number of charges of clinical failure, poor record keeping and dishonesty, including undertaking caesarean surgery on a dog

[1415] Subsection: The role of the consumer interest in veterinary regulation.
[1416] The 'enquiry' stage includes all those who wish to raise a concern and who make contact with the RCVS Professional Conduct Department. After discussion, they will be provided with a link to raise their concerns formally if the matter relates to potential misconduct on the part of a Registrant. If that is not the case, they are encouraged to seek alternative means of resolving the issues. This is set out in RCVS letter to the CMA, dated 25 October 2024.
[1417] Only 22 DC hearings are listed on the RCVS's website across the relevant period.
[1418] RCVS response to RFI5, Q2. [✂].
[1419] This vet was reprimanded. RCVS, Herefordshire vet reprimanded for dishonesty over treatment of a cat (accessed 29 January 2025).
[1420] This vet was removed from the register. RCVS, Staffs vet removed from Register for dishonest and misleading certification (accessed 29 January 2025).
[1421] This vet agreed to undertakings, including seeking assistance for a compulsive gambling disorder, and was given a reprimand and warning at the conclusion of such. RCVS, Vet issued reprimand and warning after admitting fraudulent insurance claims (accessed 29 January 2025).

without trained assistance, failure to take steps to treat the dog when her condition deteriorated, and failing to make or deleting clinical records.[1422]

(e) A vet who issued a veterinary prescription intended for the treatment of a human, breaching the legislation on access to controlled drugs and failing to promote the protection of public health.[1423]

14.132 The types of cases that appear likely to fall outside the scope of enforcement action include those relating to complaints over charges and about informed consent, conflicts of interest and contextualised care.

14.133 As to charges, the Guidance says that:

(a) '… fee disputes where the charges levied by the vet are reasonable, or, even if the charges are high, they are not so extreme as to bring the profession into disrepute', are not likely to be subject to the formal adjudication stages of the RCVS's disciplinary process;[1424] and

(b) '… veterinary fees and charges [are unlikely to be referred to the DC] unless so extreme as to constitute serious misconduct'.[1425]

14.134 Only one case has been referred to the DC in relation to excessive fees alone. In that case, the DC concluded that the fees charged did not amount to serious professional misconduct.[1426]

14.135 The position is similar in relation to failures to comply with the Code's requirements to obtain informed consent for treatments[1427] and on conflicts of interest, or to follow good practice on contextualised care.[1428] We have found only two cases where shortcomings in respect of informed consent were regarded as

[1422] This vet was removed from the register. RCVS, Bedfordshire-based vet removed from Register for series of clinical and record-keeping failures - Professionals (accessed 5 August 2025).
[1423] The vet was suspended from the register for two months. RCVS, Manchester-based vet suspended after issuing veterinary prescription intended for human use - Professionals (accessed 5 August 2025).
[1424] RCVS, Vet Preliminary Investigation Committee decision-making guidance (Stage 1) - Areas not likely to result in referral to Stage two (accessed 7 October 2025).
[1425] RCVS, Vet PIC decision-making guidance (Stage 2) - Cases unlikely to result in referral (accessed 7 October 2025).
[1426] RCVS [✂]. The RCVS told us it had not received any complaints in recent years where the fees have been so excessive that they could arguably amount to serious professional misconduct, but had received complaints that did not meet this threshold and where formal advice had been given to vets by the Preliminary Investigation Committee in relation to the provision of information relating to fees. RCVS response to RFI3, Q6.
[1427] RCVS Code, paragraph 2.4 and Supporting Guidance, chapter 11.
[1428] Supporting Guidance, Veterinary Care, paragraph 2.2(c), Consumer rights and freedom of choice, paragraph 10.2, Informed Consent, paragraph 11.2. RCVS Knowledge, Guidance on Contextualised Care (accessed 7 October 2025).

serious enough to warrant formal disciplinary action[1429] and none in respect of conflicts of interest or contextualised care.[1430]

14.136 These gaps in the enforcement mechanisms in relation to consumer-facing requirements under the Code are of particular concern where:

(a) prices do not seem to be subject to the level of competitive pressure that we would expect in a well-functioning market; and

(b) the imbalance of knowledge between pet owners and vets means pet owners cannot be expected in many cases to know if good practice standards have been met.

Range and effectiveness of sanctions

14.137 The range of sanctions available to the RCVS includes the following:

(a) The 'formal sanctions for serious misconduct' found by the DC to which we allude above: striking off the Register or suspension from it for up to two years;[1431] a formal reprimand or the case being held open for two years.

(b) For serious cases which fall short of the public interest threshold for referral to the DC, and are referred instead to the CCC, the CCC can impose a confidential or a public 'warning'. Public warnings are published on the RCVS website for up for six months (but do not affect a vet's registration status or right to practise).

(c) In other cases,[1432] the RCVS may issue 'formal advice' to the vet concerned. That could, for example: advise a vet to change practice protocols or procedures or to undertake additional CPD; or remind them of relevant provisions of the Code or Guidance.[1433] This advice is not binding, but it

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[1429] One of these was the case referred above, in which a vet was found guilty of not obtaining informed consent and acting dishonestly after continuing treatment on a cat, removing his microchip, and taking him home after his owner believed he had been euthanised. RCVS, Herefordshire vet reprimanded for dishonesty over treatment of a cat (accessed 7 October 2025). This vet received a reprimand. In another case a vet who was removed from the register after carrying out total hip replacements on four dogs, which were not in the animals' best interests, and without consulting their owners about alternatives or gaining informed consent. RCVS, Kent based veterinary surgeon removed from Register for carrying out surgeries which were not in animals' best interests (accessed 7 October 2025).
[1430] We are also aware of two disciplinary cases during the last three years involving, amongst other things, charges that a vet failed to adequately communicate information to the pet owner and to obtain their fully informed consent, but in which no finding of serious professional misconduct was upheld by the DC. In the case of Katharine Power MRCVS, charges relating to inadequate communication of risks, complications and alternative options to surgery, as well as failure to obtain fully informed consent to surgery, were found by the Committee to be not proved. In the case of Paul Anderson Roger MRCVS, the Committee was satisfied that the failure to communicate adequately with the pet owner was conduct that fell below the standard to be expected of the reasonably competent vet but not far below the standard to be expected. It was accepted that failures to communicate mean the pet owner was not fully informed about the clinical picture and options for treatment, however the Committee did not consider that those failures amounted individually or cumulatively to disgraceful conduct in a professional respect. The disciplinary committee reports are detailed in RCVS, Disciplinary Committee hearings (accessed 7 October 2025).
[1431] But no power of interim suspension pending a DC process.
[1432] Those which are not escalated to the DC or CCC.
[1433] RCVS, Our terms explained (7 October 2025).

remains on the record for two years and can be taken into account in any subsequent disciplinary proceedings during that period.

14.138 There is, accordingly, only a limited range of sanctions available to the RCVS.[1434] It cannot do things like ordering vets to: carry out additional treatments; apologise to consumers; refund or cancel fees; give clinical advice about treatments; pay compensation or financial penalties; or resolve issues relating solely to negligence.[1435] Nor can it impose conditions on vets' registrations or order them to undertake education or training or undergo a period of supervision.

14.139 As to the effectiveness of the available sanctions:

(a) Those that might be supposed to carry the greatest deterrent effect and be most likely to influence the conduct of vets - the formal sanctions described in above - only apply in the limited cases we have identified therein. They are likely to be unavailable in many cases involving the consumer-facing requirements of the Code.

(b) Warnings the RCVS issues may have some effect, given the possibility that they may be taken into account in subsequent disciplinary cases,[1436] but they are not binding, the steps vets take to comply with them are not monitored and pet owners have limited visibility of these regulatory actions.

14.140 Other regulators have different sanctions available to them where those they regulate fall short of their obligations. For example, in addition to powers to suspend or remove people from the relevant profession's register:

(a) The GPhC can issue 'improvement action plans' which, for example, require pharmacy owners to identify and take remedial action, and which are published on the GPhC's website. If the pharmacy owner defaults, or there is a serious risk to patient safety, the GPhC has powers to put conditions on the pharmacy to ensure it is operating safely and effectively.[1437]

[1434] We note that, in evidence we have gathered from vets, some of them made comments that are consistent with the RCVS lacking an appropriate range of proportionate disciplinary sanctions: (a) Attendees at our roundtable with senior veterinary professionals from animal charities, 'agreed there was a fear of litigation in the sector and that fear of reprisals from the RCVS (being struck off)' (CMA, Summary of animal charity roundtable discussion, 19 September 2024, paragraph 14.); (b) A similar point was also raised at the roundtable with recently qualified vets, who 'discussed the fear of getting something wrong and being 'pulled up' in front of the RCVS's (CMA, Summary of vet student and new graduates roundtable discussion, 19 September 2024, paragraph 10.); and (c) A vet who participated in our qualitative research said: 'RCVS complaint or anything like that, they're pretty terrifying and they come in pretty hard, and a lot of the time they're completely unfounded. And I think it's a really scary thing to have put on you…' (Qualitative research with veterinary professionals, section 'Regulation and sector challenges').
[1435] RCVS, Information for veterinary surgeons (accessed 7 October 2025). Note, the RCVS provides that 'negligence is what might be considered to be conduct that falls short (or below) the standard to be expected of a reasonably competent veterinary surgeon or veterinary nurse, but not far short of (or far below) that standard, such that it amounts to serious professional misconduct, affecting fitness to practice. RCVS, Serious professional misconduct and negligence explained (accessed 7 October 2025).
[1436] *RCVS v Shah* (2020), a Disciplinary Committee case in which formal advice previously given was taken into account (accessed 7 October 2025).
[1437] General Pharmaceutical Council, Inspection outcomes (7 October 2025).

(b) The GOC can issue warnings to individuals where it finds that their fitness to practice is not impaired but it wishes to incentivise good future conduct or performance. It can also impose financial penalties of up to £50,000.[1438]

(c) The CQC has civil powers which can be used to require regulated providers to take action to reduce risks to users of their services, and criminal powers to hold providers to account for serious regulatory failures.[1439]

(d) In Scotland, lawyers or their firms can be directed to issue an apology, reduce the fees charged, compensate clients for inconvenience and distress and / or to undertake education and training.[1440]

14.141 We observe in this connection that the range of powers available to human healthcare regulators are often part of a 'fitness to practise' framework. Such frameworks are seen as a more modern and effective way to protect patients, maintain public confidence in a profession, and to uphold standards of conduct.[1441] A disciplinary system like that for veterinary professionals, based on proving and sanctioning (only) serious professional misconduct, differs significantly from a modern fitness to practice scheme.

14.142 We note that in 2021 the RCVS Council voted to accept the recommendations of its Legislation Working Party,[1442] including for new primary legislation introducing a fitness to practise framework.[1443] In our Regulation Working Paper, we stated that the RCVS appears to lack, '… a full regulatory toolkit enabling it to take action effectively against a range of misconduct, including in relation to consumer protection matters, and to impose a range of sanctions.'[1444] In its response to that paper, the RCVS told us, 'This is correct, and we are pushing for a wider range of sanctions and remedial actions via a new Act'.[1445]

14.143 Some LVGs have told us they support the RCVS having enhanced enforcement powers. Linnaeus, for example, said it is, '… supportive of giving the RCVS a set of formal powers as this would align the vet sector with modern business regulation and ensure accountability and responsibility is at both the individual/clinical and organisation/practice level'.[1446] IVC told us it supports enhanced enforcement powers, '… which may include a wider range of sanctions

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[1438] General Optical Council, Sanctions we can impose (7 October 2025).
[1439] Care Quality Commission, Enforcement - Care Quality Commission (7 October 2025).
[1440] Scottish Legal Complaints Commission, Action we might take (7 October 2025).
[1441] Professional Standards Authority, Right-touch reform - a new framework for assurance of professions, November 2017, p 39 (7 October 2025).
[1442] RCVS, Council agrees to adopt recommendations on future legislation following consultation with profession and public, 14 June 2021 (accessed 2 February 2025).
[1443] RCVS, Report of the RCVS Legislative Reform Consultation, 11 June 2021, Part 4, Introducing a modern 'fitness to practice' regime (accessed 7 October 2025).
[1444] CMA, Regulatory framework for veterinary professionals and veterinary services, February 2025, p 31.
[1445] RCVS response to February 2025 working papers, p 9.
[1446] Linnaeus response to Remedies Working Paper, p 51.

… in line with those proposed by the RCVS …..'[1447] CVS, meanwhile, said it generally supports additional enforcement mechanisms as this 'helps ensure that pet owners continue to have trust in the veterinary profession'.[1448]

14.144 The BVA, BSAVA, BVNA, SPVS and VMG agreed that 'RCVS has access to a limited range of sanctions, in particular where conduct falls below the threshold of serious professional misconduct'.[1449]

Complaints and redress

14.145 Effective consumer complaints handling and redress mechanisms are important in a competitive market, disciplining businesses to improve their services, and giving consumers confidence to spend their money.[1450] The mechanisms that currently exist in the veterinary sector, however, appear to us to be unlikely to have those effects because:

(a) They depend on individual veterinary businesses having good in-house complaint handling processes. There are, though, no regulatory requirements that set standards for these processes (and which could be monitored and enforced), and some pet owners appear unwilling or unable to pursue complaints.

(b) The VCMS was put in place to deal with the large numbers of complaints unresolved by vets' in-house complaints processes but which fall outside the narrow confines of RCVS statutory disciplinary action. That scheme, however, provides only for voluntary mediation. It has no powers to compel veterinary businesses to engage in its processes, does not adjudicate complaints and cannot require businesses to take any particular action.

(c) There is limited consumer awareness of and engagement with the VCMS in any event. Fewer of the consumers who might otherwise benefit from it are therefore likely to use its services.

(d) The different elements of the system for consumer redress are not appropriately connected and co-ordinated.

(e) The regulatory system, in particular the RCVS, does not use, as effectively as it could, the insights and lessons available from complaints data (both from vet firms and the VCMS) to strengthen regulatory practice and drive standards up across the sector.

[1447] IVC response to Remedies Working Paper, p 62.
[1448] CVS response to Remedies Working Paper, p 40.
[1449] BVA, BSAVA, BVNA, SPCS and VMG response to February 2025 working papers, paragraph 15.
[1450] CMA, Regulatory framework for veterinary professionals and veterinary services, February 2025, pp 60-61.

The role of complaints and redress mechanisms

14.146 Consumers who are dissatisfied with a product or service they have bought will often want, and should be able to, seek appropriate redress. This could include an admission of wrongdoing, an apology, compensation or some action that reduces the likelihood of the service provider causing other consumers the same harm.

14.147 The first port of call for dissatisfied consumers is typically the supplier itself. Some businesses operate complaints procedures to address any issues that arise. Where businesses fail to resolve complaints, consumers might wish to turn to an external scheme to seek redress, which is likely to be cheaper and quicker than taking a supplier to court.

14.148 Effective consumer complaints and redress mechanisms can play an important role in a competitive market because:

(a) Consumers' ability to complain effectively and have their complaints resolved can discipline businesses in terms of the quality of the goods and services they provide. Effective redress mechanisms can help to concentrate professionals' minds on higher standards, improved behaviour, and more focused action to resolve complaints quickly when they arise.

(b) Knowing they are backed up by an effective system of redress can also give consumers confidence to spend their money and help create (and preserve) trust in suppliers.

(c) Such mechanisms can play a role in ensuring that regulatory rules – in this case, those designed to protect animal welfare and support pet owners – are effectively applied.

(d) The schemes are often rich with complaints data that can be analysed and used to refine the regulatory framework and improve policies and standards of professional conduct.

14.149 Good complaints and redress mechanisms are likely to have several elements:

(a) clear, consistent and effective in-house processes run by the suppliers of products and services;

(b) where these in-house arrangements are not present or do not deliver acceptable outcomes, an independent or third-party redress scheme (and which is complemented, in regulated sectors, by effective disciplinary action by the regulator in cases involving misconduct);

(c) mechanisms to gather information about complaints in order to improve industry practice; and

(d) as a last resort, access to the courts.

14.150 The different elements should be connected and co-ordinated. Consumers need to know their options for seeking redress and how to exercise them (and at what stages). Suppliers, operators of independent or third-party schemes and any sectoral regulator need to promote the system, to tell consumers about it and to direct them to the most appropriate recipient of their complaint. Where in-house processes or independent or third-party schemes uphold complaints involving misconduct, any regulator needs to be able to act on that (including using complaints data to improve regulation and overall service standards).

Complaints handling by veterinary businesses

14.151 If a pet owner's complaint can be addressed by their FOP, this is likely to be the best outcome. It should be the quickest, cheapest and least resource-intensive means of resolution. It could preserve, and possibly strengthen, the important relationship between the pet owner and their vet and might also enable the FOP to improve its services (where complaints are monitored and acted upon).

14.152 We have considered the Ombudsman Association's principles for good complaints handling.[1451] Those principles are clarity of purpose, accessibility, flexibility, openness and transparency, proportionality, efficiency and quality outcomes. The Association also highlights that having consistency across the relevant sector is vital to explain to customers what is and is not possible with regard to their complaints and when exactly matters have been brought to a conclusion.[1452]

14.153 We have also considered other guidance on complaints handling in the veterinary and other sectors. There is a broad consensus across that guidance that good in-house complaints systems likely include:[1453]

(a) a comprehensive, clear and fair written complaints process based on minimum industry-wide standards, with set timescales for each part of the process, a commitment to uphold and resolve complaints that are found to be justified and clarity over what would trigger referral to any external scheme;

(b) regular review of the complaints process;

[1451] Ombudsman Association, Principles of good complaint handling (accessed 7 October 2025). The Ombudsman Association is a membership body for ombudsman schemes and other complaint handling bodies. The OA was established in 1993 and includes as members all public and private sector Ombudsman schemes and major complaint handling bodies in the United Kingdom, Ireland, the British Crown Dependencies, and the British Overseas Territories.
[1452] Ombudsman Association, Principles of good complaint handling (accessed 7 October 2025).
[1453] We have considered research commissioned by the Solicitors Regulation Authority and Legal Ombudsman into the experiences and effectiveness of solicitors' first tier complaints handling processes, SRA | Research into the experiences and effectiveness of solicitors' first tier complaints handling processes | Solicitors Regulation Authority, December 2017, Office of Rail and Road Guidance on complaints handling procedures, 2015, Veterinary Defence Society guidance on handling complaints, the PSS award level requirements, PSS Small Animal Modules and Awards (V3.3) - Professionals, January 2025, and RICS Complaint Handling and Alternative Dispute Resolution, July 2016 (accessed 7 October 2025).

(c) staff awareness of, and training in, the process;

(d) one or more methods to promote awareness of the process to consumers, together with a choice of access routes for them;

(e) a process for identifying when a consumer is making a complaint, understanding their grievance and exploring its causes;

(f) providing a prompt and full response to the complaint;

(g) effective communication to the consumer throughout the process, including how the complaint is being dealt with, the timescales, the likely outcomes and their options if they do not feel that their complaint has been resolved;[1454]

(h) a process for dealing with any conflicts of interest;

(i) reasonable adjustments to support vulnerable consumers;

(j) a process for recording complaints received and responses made; and

(k) a feedback loop so that the business can learn from the substance of complaints and work to avoid future issues.

Assessment of complaints handling policies

14.154 Many veterinary businesses have complaints handling processes in place. We have assessed the processes from a range of FOPs, taking account of the Ombudsman Association's principles and the guidance above.[1455]

14.155 As far as the LVGs are concerned:

(a) All of them have written complaints processes and internal guidance, although some are more detailed than others.

(b) Most LVGs told us that their complaints process is available on their central website, but the way in which, and time at which, they communicate the process to pet owners varies.

(c) All the processes outline the different stages of complaints-handling and include timescales for responding to and resolving complaints, which appear reasonable.

(d) All the processes give pet owners details of the VCMS.

[1454] For example, signposting to independent redress schemes.
[1455] Provided to us in response to statutory information notices.

(e) Some LVGs provide support to their FOPs by providing relevant staff training.

(f) Most LVGs have electronic reporting systems to log complaints and dedicated teams to assist FOPs with handling them.

(g) Only two LVGs said they hold data centrally on FOP-level complaints, and most do not monitor individual FOPs' compliance with the complaints process.

(h) Most LVGs hold at least some data centrally on complaints that are escalated within the group, but do not use this to improve standards.

14.156 Independent veterinary businesses'[1456] complaints processes vary:

(a) Most of those we asked had written complaints processes, but a small number did not and said they deal with complaints informally.

(b) While some of the relevant businesses publish their processes on their website or share them with pet owners when they sign up to a FOP, many told us that they do not communicate the process until complaints are made.

(c) Most processes we looked at included reasonable timescales for responding to and resolving complaints, but a small number did not.

(d) Most of the businesses told us that they do not carry out formal analysis of complaints data and do not formally review their processes, but some said they change them on an ad hoc basis once they notice an issue.

(e) Complaints data is held and retained in different ways. Some businesses said they hold the data for a set time, while others do not set a limit. Some told us they use a log to track all complaints but others just retain the complaint in the form initially received.

(f) Many businesses said they provide some form of staff training on complaints processes, for example when onboarding new staff, but some do not.

(g) Most businesses do not publicise the VCMS to customers, even where they participate in the scheme. A minority of the businesses said they do not participate in the VCMS.

14.157 What seems clear is that not all veterinary businesses have complaints processes. For those that do, the processes are not wholly consistent, especially in relation to their transparency and their use of complaints data to improve service standards.

[1456] 23 such businesses responded to our statutory information notice.

Effectiveness of regulatory requirements

14.158 We have also considered, in light of the Ombudsmen Association's advocacy of the merits of consistency of complaints processes, and the inconsistency we observe above, whether the current regulatory requirements relating to complaints are effective. In a market where services are provided in a number of different settings,[1457] with differing risk profiles and levels of costs, standardised processes could be important in giving pet owners and veterinary businesses a clear understanding of how complaints should be handled and redress made available.

14.159 The Code places some requirements on individual vets relating to complaints handling. Those include obligations to respond promptly, fully and courteously to pet owners' complaints,[1458] and to have a means of recording and considering those complaints.[1459] The Guidance says vets should provide pet owners with their complaints handling policy in writing.[1460] Training on mitigating and resolving complaints is available to vets via the RCVS Academy.[1461]

14.160 The Code does not, however, impose requirements on veterinary businesses or the non-vets who own or work in them, who may be better placed to ensure effective processes are in place in their FOPs.[1462] Neither does it specify any principles that should shape those processes or the form the processes should take, nor impose requirements about communicating the processes to pet owners.

14.161 In other words, there is no set of requirements that helps ensure that consistent complaints processes are in place across the sector, setting out what is expected of veterinary businesses.[1463] This contrasts with the position in other sectors.[1464]

[1457] For example, FOPs, referral centres, and hospitals.
[1458] RCVS Code, paragraph 2.7.
[1459] RCVS Code, paragraph 4.3 and RCVS PSS Small Animal Modules and Awards, Core Standards, para 3.1.3. Supporting Guidance, Chapter 6.3(c).
[1460] Supporting Guidance, Practice Information, paragraph 9.2(c). The RCVS has also published a new chapter of the RCVS Code (Chapter 10) which pulls together the consumer-facing aspects of the existing RCVS Code. This chapter makes no mention of how vets should manage complaints, including which processes to have in place.
[1461] RCVS Academy, Client Engagement, 'Resolving complaints in practice' and 'Complaints: Communication, confidence and compassion' (accessed 7 October 2025).
[1462] The PSS sets out some standards in this area, similar to the Code's requirements, but their effectiveness is limited by the PSS's voluntary status and lack of monitoring and enforcement mechanisms.
[1463] For example, on outcomes and timescales.
[1464] For example, Appendix A to the Royal Institution of Chartered Surveyors (RICS) professional standards, Rules of Conduct, October 2021, includes that firms must publish a complaints-handling procedure, which includes an alternative dispute resolution provider approved by RICS, and maintain a complaints log. RICS also provides firms with an example complaints handling procedure and example complaints log template: Complaint Handling and Alternative Dispute Resolution (accessed 7 October 2025).
The Legal Services Board (LSB), meanwhile, has imposed statutory obligations on approved legal services regulators to put in place their own regulatory requirements for Complaints Procedures on First-Tier Complaints. LSB Rules and Guidance (accessed 7 October 2025).

Consumer willingness or ability to complain

14.162 There is evidence about the extent to which pet owners make complaints, and the reasons why they do not, which may reflect the inconsistency we describe above.

14.163 Only 8% of respondents to our pet owners survey had considered making a complaint about their FOP in the past two years.[1465] 3% had made a complaint (most of them complaining directly to their vet). That means less than half of those who considered complaining to their FOP went on to do so.[1466] When asked why not, the most common answers were: 'Didn't think anything would come of it' (53% of relevant respondents), 'Worried about ongoing relationship with vet' (38%) and 'Didn't know who to complain to' (32%).[1467]

14.164 Similar evidence can be seen in the online poll that Which? conducted in October 2024 of 1009 pet owners who had experienced a problem with their vet in the past 2 years.[1468] 57% of respondents chose not to make a complaint. Reasons for not doing so included: 'I did not think it would be successful' (38%), 'I did not want to fall out with my vet/ vet practice' (33%), 'I did not know how to go about complaining' (16%), 'there wasn't a way to take action I felt comfortable using' (16%), and 'the process would have been too complicated' (10%).[1469]

Third-party consumer redress schemes

14.165 If in-house complaints processes do not deliver acceptable outcomes, independent or third-party alternative dispute resolution (ADR) schemes offer another way for consumers to seek redress. Some schemes provide for mediation, to help businesses and consumers reach an agreed outcome. Others involve the third party adjudicating complaints and imposing binding outcomes.

14.166 An example of the former is the Optical Consumer Complaints Service (**OCCS**). The latter is what happens, for example, in the private healthcare sector where the Independent Sector Complaints Adjudication Service (**ISCAS**) provides independent adjudication on complaints about ISCAS subscribers.

14.167 Where consumers are aware of and know how to use them, such schemes can help address an asymmetry of information between the parties in relation to disputed transactions and offer an alternative to lengthy and expensive court proceedings. The availability of such schemes may also put pressure on

[1465] Pet owners survey, Q116.
[1466] Pet owners survey, Q117 (35% "Yes") and Q118 (75% "the vet or vet practice staff", 17% "the owner(s) of the vet practice).
[1467] Respondents could choose more than one response. Pet owners survey, Q117.
[1468] Which? Policy Research Report, Complaints and redress in veterinary services, May 2025 (accessed 7 October 2025).
[1469] Again, respondents could choose more than one response.

businesses to improve their own in-house processes.[1470] Which? in a 2019 report identified that:

> ….. well-functioning ADR is not only important to individual consumers, who risk losing money, wasting precious time and suffering stress and anxiety when things go wrong, but is also critical to building consumer trust and a successful, competitive economy.[1471]

14.168 Redress schemes can also, and in regulated professional sectors often do, analyse and share learning from their complaints data. This can contribute to better professional regulation and standards of service. For example:

(a) The Legal Ombudsman has stated that its insight sharing '… promotes better complaint handling, prevents future complaints and helps drive higher standards in legal services'.[1472]

(b) The 2019 Which? report acknowledges that in most markets there is a large amount of rich data about performance and complaints that should be shared widely with businesses, enforcement bodies and consumer advocacy groups, and used as a tool to educate, enforce and prevent future harm.[1473] It says, 'ADR schemes, if working well, should also help to drive up compliance and be a source of intelligence for problems that are occurring in a particular sector for targeting of enforcement resources. This requires radical reform of the approach to ADR in many sectors'.

(c) In its April 2021 report on ADR, Which? suggested that regulation should require data from disputes to be collected, analysed and published in a consistent and usable way, together with meaningful recommendations for how services can be improved and complaints reduced.[1474] [1475]

[1470] A 2021 report by Which? states that third-party-aided consumer redress is important due to 'the asymmetry in information and resources in some transactions [and] may also become increasingly important in helping consumers address some of the complexity in modern transactions.' Which?, Are Alternative Dispute Resolution schemes working for consumers?, April 2021, p 3 (accessed 7 October 2025).
[1471] Which?, Creating a successful enforcement system for UK consumers, February 2019 (accessed 7 October 2025).
[1472] Legal Ombudsman, Office for Legal Complaints, 2024-27 Strategy for the Legal Ombudsman, p 1 (accessed 7 October 2025).
[1473] Which?, Creating a successful enforcement system for UK consumers, February 2019 (accessed 7 October 2025).
[1474] Which?, Are Alternative Dispute Resolution schemes working for consumers?, April 2021, p 9 (accessed 7 October 2025).
[1475] The value of data collection and analysis, more broadly, for improving service standards and making regulation effective has long been recognised. For example, in 2015 healthcare regulators jointly produced 'The future of dental service regulation', which said that, '… data and intelligence have a vital role to play in any system of regulation, because these tools help: identify the status of individuals or bodies that are subject to regulation; enable the regulatory system to identify and investigate breaches and to identify where performance does not meet agreed standards of care and service delivery; give visibility and transparency to everyone who wants or needs to know the outcomes of the regulatory system; enable consumers, regulators and professionals to raise concerns or potential risks to appropriate standards of care, or service delivery; and enable the system of regulation continuously to evolve and improve'. This paper was produced by the Regulation of Dental Services Programme Board (RDSPB) and was formed of the following organisations: Care Quality Commission, Department of Health, General Dental Council, NHS England and was supported by the NHS

14.169 Drawing these points together, an effective third-party redress scheme could be seen as one which: consumers are aware of and know how to use; operates to address the asymmetry between businesses and consumers; produces prompt and effective resolution of complaints and has mechanisms to make valuable use of complaints data to drive improvements to regulation and services.[1476]

14.170 We have considered the extent to which the third-party redress scheme in the veterinary sector, the VCMS, has these characteristics. We observe that, while the scheme offers some benefits:

(a) Pet owners have limited awareness of and engagement with it. Our pet owners survey found that only 5% of respondents were aware of the scheme, and that a very low number had complained to it.[1477]

(b) Mediation under the scheme is voluntary, so vets and firms do not have to participate. If they do, they are not bound by any outcomes. This means some pet owners will not have access to an effective means of escalated dispute resolution, and the scheme may provide only a limited incentive for vets and firms to ensure their in-house complaints processes work well.

(c) Limited use is made of complaints data from the VCMS to improve regulation or service standards across the sector.

The VCMS

How does the VCMS work?

14.171 The VCMS is a voluntary ADR scheme[1478] funded by the RCVS. It uses mediation to support pet owners and FOPs to resolve complaints without the barriers of a formal legal process. It seeks to repair the relationship between pet owners and FOPs[1479] and does not investigate or adjudicate complaints. The process is voluntary; both parties must agree to take part and to the outcome.

Business Services Authority (NHSBSA), Healthwatch England and the local Healthwatch network. The future of dental service regulation, December 2015, p 10 (accessed 7 October 2025).
More recently, the Gambling Commission published its Strategic Focus for 2024 to 2027 which identified as the first of its five priorities, '… using data and analytics to make gambling regulation more effective'. The report said that, '… better evidence, driven by more effective use of data will lead to better regulation, which in turn will lead to better outcomes for consumers, the public and [market participants].' Using data and analytics to make gambling regulation more effective (accessed 7 October 2025).

[1476] We note that, in its response to the Regulatory framework for veterinary professionals and veterinary services, February 2025, the VCMS said, 'The VCMS agrees with this statement and is committed to enhancing and developing the role and impact of the service.' VCMS response to February 2025 working papers, p 9.

[1477] Pet owners survey, Q120.

[1478] VCMS is an Approved ADR Body accredited by Chartered Trading Standards Institute.

[1479] VCMS Response to the Issues Statement (**VCMS IS Response**), p 1.

14.172 The scheme, which is free to users, is administered by an independent firm of solicitors[1480] and is supported by veterinary advisers who provide veterinary and clinical advice to it. It was established in 2017 to deal with the large numbers of complaints from pet owners which fell outside the narrow scope of RCVS statutory disciplinary action. Complaints to the VCMS are made by pet owners via its website and the RCVS's website, and by referrals from the Citizens Advice Bureau (**CAB**), vet practices, the RCVS and animal and consumer charities.[1481]

14.173 The scheme has a wide remit covering complaints involving an individual pet owner relating to care and services provided by a FOP in the UK. It deals with consumer and communication issues as well as allegations of professional negligence, but not cases of serious professional misconduct.[1482] There are a few other limited exceptions.[1483]

14.174 The scheme receives around 3600 complaints a year.[1484] Complaints data provided by the VCMS shows that in 2023-2024 60% of the complaints it received related to standards of care, 19 customer service and 14% clinical fees (the nature of the remaining 7% was 'unknown,' 'other' or 'products').[1485]

14.175 There are three phases to the scheme:

(a) At **Phase A**, the VCMS supports local resolution by providing support and advice where the relevant FOP's own complaints process has not been concluded. All complaints pass through Phase A and are reviewed to ensure they fall within the VCMS's remit.[1486]

(b) At **Phase B** (mediation coordination) the VCMS engages with the FOP to invite it to mediate to resolve the complaint. [1487]

[1480] VCMS is provided by Nockolds Solicitors, who specialise in complaint mediation in regulated professions. In addition to the VCMS, Nockolds provide the Optical Consumer Complaints Service (OCCS) which supports the UK optical sector and is funded by the General Optical Council.
[1481] In 2023, of the 3649 complaints received by the VCMS, 1492 were made on the VCMS's website and 166 on the RCVS's website. In the same year, 254 complaints were referred to the VCMS by CAB, 183 by the RCVS, 136 by vet practices and 20 by charities (the remaining complaints were received from other sources such as 'other', 'charity', 'referral' or the source was unknown). VCMS response to RFI1, Q12. [✂].
[1482] Which, if made to the VCMS, are referred by it to the RCVS for investigation. Between November 2022 and October 2023, 7 complaints received by the VCMS concluded with the animal owner indicating they were referring their concerns to the RCVS for investigation as potential serious misconduct or their concerns were policy related issues which fell outside the VCMS remit. VCMS response to RFI1, Q6 [✂]. There is coordination to address complaints between the RCVS and VCMS under their Working Together Policy. This helps ensure that complaints of serious professional misconduct made to the VCMS can be passed to the RCVS for investigation pursuant to its statutory duty, and more broadly that complaints are dealt with efficiently and the public protected. Hybrid complaints that cut across the remit of both the RCVS and VCMS are initially investigated by the RCVS and, once it closes its investigation suitable complaints are then passed to the VCMS.
[1483] The VCMS does not deal with complaints from commercial animal owners, complaints raised by those who don't own the animal, complaints over 12 months old and circumstances outside the UK.
[1484] This is set out at VCMS IS Response, 9 July 2024, p 6. See also VCMS Annual Report 2023-24, p 6, and VCMS Insight Report 2020-21, p 4. These report that the total number of enquiries received by the VCMS were: 3548 in 2023-2024, 3644 in 2022-23; 3605 in 2021-22; 3963 in 2020-21; and 3151 in 2019-20.
[1485] VCMS Annual Report 2023-24, p 16.
[1486] VCMS Annual Report 2022-23, p 10.
[1487] VCMS Annual Report 2022-23, p 10.

(c) **Phase C** (mediation) involves the full mediation process, which is available to pet owners and FOPs when local resolution has failed. 26% of VCMS enquires progress to this phase.[1488] The VCMS aims to conclude mediation within 60 days of the parties agreeing to mediate.

14.176 In 2022-2023, according to its Annual Report, the VCMS received 3548 complaints, concluded 3618 complaints[1489] and achieved its 60-day target for the conclusion of the complaint in 87% of cases.[1490] Of the 3618 concluded complaints:

(a) c.56% (2056) were dealt with at Phase A;[1491]

(b) c.17% (626) concluded at Phase B, with the complainant deciding not to proceed with mediation in 304 cases and the practice declining to engage in it in 322;[1492] and

(c) c.26% (936) concluded at Phase C. Of these, 767 cases were resolved in mediation, 105 concluded this phase without resolution, and in 64 cases the mediation process was brought to an end because formal action (such as legal proceedings) was required.[1493]

Benefits

14.177 The VCMS has the potential to play an important role in the existing regulatory framework by offering pet owners a means to pursue complaints they are unable to resolve with their FOP.

14.178 On their face, the figures in above show that almost all complaints to the scheme in (2023 to 2024) reached a conclusion. This suggests that, often, the scheme resolves pet owners' quicker than would be likely in, for example, expensive legal proceedings. Many cases are resolved without reaching the full mediation stage,[1494] indicating that, to some extent at least, the scheme helps pet owners to engage constructively with FOPs and to resolve complaints without the need for escalation.[1495]

14.179 Some feedback on the scheme is positive.[1496] The VCMS asks participants about their satisfaction with it. In 2023 to 2024, it received 227 responses, amounting to

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[1488] VCMS Annual Report 2023-24, p 9.
[1489] 8% concluded within 61-90 days and 5% required more than 90 days. VCMS Annual Report 2023-24, p 3.
[1490] VCMS Annual Report 2023-24, p 3.
[1491] VCMS Annual Report 2023-24, pp 10 and 30.
[1492] VCMS Annual Report 2023-24, p 30.
[1493] VCMS Annual Report 2023-24, p 30.
[1494] In 2023 to 2024, 56% of complaints were taken no further than Phase A. VCMS Annual Report 2023-24, p 10.
[1495] The figures also mean, though, that in 56% of cases FOPs did not operate complaints processes that were effective without third-party assistance. They also include 322 cases which were unresolved at FOP level (and so would have benefitted from third-party resolution) but which 'concluded' with the FOP declining to participate in mediation.
[1496] Although only involving a limited sample size from which it is difficult to draw conclusions.

24.25% of concluded mediations.[1497] 98% of the FOPs which replied said they would use the scheme again, while 96% of the pet owners who responded said the same. 9.7 out of 10 pet owners felt the VCMS understood their concerns, with 9.5 out of 10 satisfied with the process and 8.6 out of 10 satisfied with the outcome.[1498]

14.180 We also note that the VCMS has played a significant role in reducing the burden on the RCVS in dealing with consumer complaints. Minutes from an RCVS Finance and Resources Committee meeting in September 2019, for example, recorded that the:

> …. mediation service has had a significant impact on lowering the number of concerns that have come in to ProfCon, cutting the figure almost in half from just under 1,000 concerns a year to 550 concerns. It has enabled the department to focus on only those concerns that would potentially meet the threshold of serious professional misconduct and created a more robust method for resolving complaints between veterinary surgeons and clients that fell below this level.[1499]

Limitations

14.181 The above notwithstanding, the VCMS is, in our provisional view, subject to some significant limitations.

Lack of consumer awareness

14.182 For the VCMS[1500] to be most effective, pet owners must be aware of it sufficiently early in their engagement with the relevant FOP and know how to access it.

14.183 The VCMS has told us that the number of complaints referred to it is higher than in comparable schemes.[1501] Even so, approximately 3600 complaints a year appears to us to be low in a market comprising 16 million pet owning households and given the scale of concerns expressed to us about the operation of the market.[1502] That

[1497] VCMS Annual Report 2023-24, p 38.
[1498] VCMS, Annual Report 2023-24, p 38.
[1499] RCVS response to RFI1, Q24. [✂].
[1500] Or any third-party redress scheme.
[1501] Such as the Optical Consumer Complaints Service and the dental mediation service. Data provided in response to VCMS RFI1, Q5 confirms that the total number of complaints referred to the VCMS, OCCS and dental mediation service between the period November 2019 and June 2024 were as follows: VCMS – 16668, OCCS – 7582, and dental mediation service – 6406. We note this comparison does not reflect differences in market size, nor in complaint frameworks or pathways such as NHS processes.
[1502] CMA calculations based on Statista's 2023 estimate of the proportion of UK households owning a pet (57%) and the ONS figure for number of UK households in 2023 (28.4 million).

low number may signal that a significant number of consumers have grounds for complaint but do not complain or are easily put off from doing so.[1503]

14.184 In any event, pet owners appear to have limited awareness of, or engagement with, the VCMS. Our pet owners survey also found that only 5% of participants were aware of the scheme[1504] and only 6% of those who made a complaint also complained to the VCMS.[1505]

14.185 There are limited mechanisms in place to increase the levels of awareness and engagement:

(a) The VCMS has undertaken some consumer facing activities, including working with Citizens Advice, Which? and charities, providing information on its and the RCVS's websites, social media posts and by providing guidance on key complaint subjects. It has told us that this year it is issuing consumer facing resources in collaboration with the RCVS and working with charities and representative groups on improving the accessibility of the service.[1506]

(b) The VCMS does not, though, hold any data tracking consumer awareness of the service over time. It has told us, when we asked about this, that, 'It was agreed that the strategic focus for profile raising would be on veterinary practice teams, and then to provide information to support communication between practices and clients, sharing the VCMS details when local resolution at practice level was exhausted.'[1507]

(c) Perhaps most importantly, vets and FOPs have no obligation to make pet owners aware of the scheme (and our review of in-house complaints processes suggests a number do not). This contrasts with the optical sector in the UK, for example, where professionals must operate a complaints process and, at the appropriate stage of it, inform patients of their right to complain or to seek mediation through the Optical Consumer Complaints Service.[1508]

14.186 It is notable that, in their responses to our working papers:

[1503] Noting, as we do in above, that less than half of people in our pet owners survey who considered complaining to their vet went on to do so, citing scepticism about the outcome (in 53% of cases), the possible effect on their relationship with their vet (38%) or ignorance about how to complain (32%). Respondents could choose multiple options.
[1504] Pet owners survey, Q120. Among those who were aware, 67% of respondents had heard of it but not used its services (pet owners survey, Q121). Only a minority of the small proportion who had heard of it reported having had direct engagement with the VCMS: 12% by accessing materials, 9% by contacting directly, and 9% by referring complaints (pet owners survey, Q121). Of the respondents who thought about complaining, the majority (65%) did not ultimately file the complaint (pet owners survey, Q117a).
[1505] Pet owners survey, Q118.
[1506] Particularly for vulnerable consumers. VCMS response to RFI1, Q14. [✂].
[1507] VCMS response to RFI1, Q15. The VCMS Guide for Animal Owners and the VCMS Guide for Veterinary Professionals (accessed 7 October 2025). [✂].
[1508] General Optical Council, Standards of Practice for Optometrists and Dispensing Opticians, Standard 18 (accessed 7 October 2025).

(a) The BVA, BVNA, BSAVA, SPVS, VMG told us that, 'There is scope for better promotion of VCMS both within the professions and to clients.'[1509]

(b) Medivet, said it, '…. agrees with the CMA that the VCMS's effectiveness is limited by its current lack of visibility…'[1510]

(c) The VCMS itself said that, 'Analysis indicates where a practice refers to the VCMS in their complaint policy, engagement is higher.'[1511]

Voluntary nature of the VCMS

14.187 The VCMS requires both pet owners and FOPs to opt-in to the mediation process (and to act in good faith during it). There is no guarantee FOPs will agree to participate – 1372 were invited to engage in mediation in 2023 to 2024, and in 322 cases they declined[1512] – and they can stop the process at any stage. The scheme does not adjudicate complaints nor determine outcomes which bind FOPs. These limitations expose pet owners to the risk that no redress is available to them where complaints are unresolved at FOP-level.[1513] They also mean that FOPs' conduct is not necessarily disciplined by the availability of an effective redress mechanism.

14.188 We have taken into account that, when we put forward this view in our working papers, some respondents did not agree with it. Pets at Home, for example, said it:

> ….. considers that … the VCMS … is an effective third-party redress scheme that offers consumers a means to pursue complaints they are unable to resolve with their veterinary practice. ….. … Therefore, if an effective inhouse complaints procedure were to become a regulatory requirement, in Pets at Home's view the VCMS in its current form can be maintained, without the need to institute a mandatory independent or third-party redress scheme, thereby avoiding an additional layer of cost and complexity to the reformed regulatory framework.[1514]

14.189 The VCMS, meanwhile, told us that FOPs' engagement rates with the scheme in 2023/24 were 80%. It submitted that, 'Even with a compulsory scheme or default engagement, there will be complaints or parties which cannot proceed,' and said

[1509] BVA, BVNA, BSAVA, SPVS, VMG response to the February 2025 working papers, paragraph 28 and BVA policy position - legislative reform (accessed 7 October 2025).
[1510] Medivet response to the February 2025 working papers, paragraph 7.20(b).
[1511] VCMS response to the February 2025 working papers, p 14.
[1512] VCMS, Annual Report 2023-24, pp 3 and 31.
[1513] Unless they are willing and able to take legal proceedings.
[1514] Pets at Home response to the February 2025 working papers, paragraphs 6.35 and 6.36.

that, '…. some compulsory services do 'reject' 15-20% of complaints which is at a comparable level of remit and practice decline rates in VCMS'.[1515]

14.190 It appears to us that the VCMS's submissions do not compare like schemes and like reasons why complaints may be excluded from them. We are also minded to regard the fluctuating numbers of FOPs agreeing to participate in mediation in different periods as an illustration of the uncertainty to which pet owners are exposed where redress mechanisms are wholly voluntary.

14.191 We balance responses like Pets at Home's and the VCMS's against a number to the opposite effect. For example:

(a) The FIVP told us that, ' ….. the VCMS voluntary mediation scheme for resolving complaints is of a non-binding nature and low consumer engagement limits its effectiveness. Independent practices, which rely on maintaining strong client relationships, are particularly vulnerable to the lack of effective redress mechanisms. The inability to resolve complaints satisfactorily can impact consumer trust and satisfaction, further disadvantaging independent practices.'[1516]

(b) CVS said, '…. to ensure consumers feel that veterinary practices are held appropriately accountable … [it] recognises the need to have an effective and independent complaints/redress system in place for all veterinary practices. In that regard, CVS would also support making the use of an independent mediation service (such as the VCMS or similar) mandatory ….'[1517]

(c) Another LVG (IVC) said, 'VCMS engagement could be improved significantly by providing for earlier pathways and "normalising" it as an effective resolution mechanism for escalations, including potentially by mandating entry to the mediation process once a complaint has been escalated.'[1518]

(d) A third LVG (Linnaeus) told us it, '….. recognises that there are limits to the effectiveness of the VCMS for the veterinary industry as a whole, given that it is a voluntary scheme which requires both the consumer and the vet practice to opt-in….,' and that, '… by making the scheme mandatory and raising awareness of it with customers, the VCMS will be an effective redress for veterinary customers.'[1519]

(e) A fourth LVG (Medivet) said it would '… support making VCMS participation mandatory.'[1520]

[1515] VCMS response to the February 2025 working papers, p 14.
[1516] FIVP response to the February 2025 working papers, p 5.
[1517] CVS response to the February 2025 working papers, pp 6-7.
[1518] IVC response to the February 2025 working papers, p 60.
[1519] Linnaeus response to the February 2025 working papers, p.45.
[1520] Medivet response to the February 2025 working papers, p.69-70.

(f) A fifth (VetPartners) said it, '…. agrees that there may be gaps in the existing consumer redress mechanisms…' and that it, '…. believes that it should be mandatory to sign up to the VCMS.'[1521]

The use of complaints insights and data to improve standards

14.192 There are some processes in the veterinary sector for recording and making use of complaints data. We know LVGs collect some of that data.[1522] We also know that at least some of them use the Veterinary Defence Society (**VDS**)[1523] to help them with complaints handling. Some use the VDS's Vetsafe reporting tool and the VDS provides them with a monthly complaints reports.[1524] Where the VDS identifies systematic problems in a FOP it may issue advice to the practice (or place endorsements on its policy).[1525]

14.193 In addition, the VCMS shares with the RCVS and with the profession some insights gathered from its mediation processes. For example:[1526]

(a) It produces annual, quarterly and insight reports capturing key performance metrics from the scheme, as well as insights on the nature of complaints being made to it.

(b) It produces monthly data reports which are shared with the RCVS covering the numbers of enquiries it received and mediations it concluded, the nature of complaints, the animal species to which they related and their sources.

(c) It shares insights with the RCVS Professional Conduct team (for example, during the COVID19 pandemic it shared its views on how it could support early dispute resolution).[1527]

14.194 The RCVS makes some use of complaints data:

(a) It does a sample audit of complaints made to the VCMS, which includes an assessment of whether appropriate concerns are being referred to the RCVS.[1528]

[1521] VetPartners response to CMA, Regulatory framework for veterinary professionals and veterinary services working paper, pp 5-6.
[1522] As contained in subsection Complaints handling by veterinary businesses, above.
[1523] The VDS is a mutual insurance company, run by vets on behalf of the veterinary profession.
[1524] Including complaint for which the VDS has provided advice and a list of live cases.
[1525] VDS response to RFI1, Qs 10, 11 and 15. [✂].
[1526] VCMS IS Response, p1
[1527] VCMS response to RFI1, Q1, VCMS Annual Report 2019-2020.
[1528] VCMS response to RFI1, Q1, VCMS Annual Report 2022-2023.

(b) It has told us[1529] it uses reports from the VCMS to develop CPD training as part of the RCVS Academy. For example, in 2022 VCMS input contributed to the RCVS Academy course 'Resolving complaints in practice'.[1530]

(c) It has also told us that it, '…. monitor[s] the issues raised [in complaints made to it] and develop[s] materials to support veterinary surgeons and veterinary nurses to avoid making the mistakes highlighted.'[1531]

14.195 There are, nonetheless, deficiencies in these processes. Most LVGs, as we set out above, do not gather FOP-level complaints data centrally and do not analyse trends from it; and independent FOPs do not routinely retain complaints data nor analyse it in order to improve their services.[1532]

14.196 The VDS, meanwhile, does not monitor whether FOPs make any improvements to their services or processes in light of the monthly reports it provides to them. The VDS also does not share any complaints data with the RCVS.[1533]

14.197 The RCVS does not appear to have in place any methodical or systematic processes to capture the lessons that may be learned from the complaints the VCMS handles.[1534] The regulatory framework does not require FOPs systematically to hold, analyse or share that data with the RCVS. Opportunities that could exist to identify common or emerging harms caused by vets' conduct or vet firms' business practices, and to feed these insights into a positive feedback loop which improves standards and increases the effectiveness of regulation,[1535] are not, it appears to us, being taken (or taken as effectively as they could be).

Governance structure of the RCVS

14.198 It is also important, in a well-functioning regulated market, that the governance structure of the regulator enables it to discharge its varied functions effectively. Governance includes the systems, processes and funding that enable the regulator to discharge those functions, to make informed decisions and to remain accountable to those it regulates and the public it serves. How a regulator of a profession is governed has a significant impact on the individual members of that profession, the businesses providing the relevant professional services and the public.

[1529] As has the VCMS.
[1530] VCMS response to RFI1, Q19 [✂]; and RCVS response to February 2025 working papers, p.13.
[1531] RCVS response to February 2025 working papers, pp 13-14.
[1532] As set out in subsection Complaints handling by veterinary businesses.
[1533] RCVS response to RFI5, Q6. [✂].
[1534] It has not identified any to us in, for example, its response to our working papers, and we note that the new '*Consumer rights and freedom of choice'* chapter of the Guidance, which consolidates material relating to the consumer-facing aspects of the Code, makes no mention of complaints.
[1535] For example, targeted monitoring and enforcement, issuing guidance or creating training or CPD materials aimed at addressing the substantive issues and concerns identified through the complaints handling system.

14.199 The RCVS's dual role[1536] combines professional leadership with regulatory responsibilities. As part of the former, it is dedicated to advancing both the profession and the art and science of veterinary surgery, while the latter give the RCVS a responsibility in setting and upholding standards for vets and vet nurses in the public interest, including bringing disciplinary action against them when required. That combination appears to us to give rise to confusion and the potential for a conflict of interests that mean the governance structure does not enable the RCVS to operate as effectively as it could.

14.200 In forming our provisional view, we have considered: (i) how the RCVS sees its role and the benefits of its governance structure; (ii) the National Audit Office's (NAO) Principles of Effective Regulation; (iii) other regulators' governance structures; and (iv) submissions stakeholders have made to us during this investigation, and other evidence.

14.201 The RCVS believes that its dual role as a 'Royal College that regulates' allows it to take a holistic and progressive approach. In support of that view, it has cited its Mind Matters Initiative as an example of 'upstream' regulatory activity that is part of its work to ensure the veterinary profession is fit for purpose and sustainable, and able to meet the standards expected by the public.[1537] It has stated that its unique structure 'may be a justification for some variance from the usual principles of regulatory governance.'[1538] [1539]

14.202 Those 'usual principles of regulatory governance' reflect that there can be a tension between being both a body of professional leadership and a body responsible for independently holding registrants to account for meeting prescribed standards. This can be observed in at least two settings.

14.203 First, the NAO includes the establishment of appropriate governance processes as a key part of its Principles of Effective Regulation. It states that the benefit of good governance is both direct (to provide meaningful challenge to improve performance) and indirect (to engender public confidence in the legitimacy and robustness of the regulatory regime). It says that a regulator's internal structures should support a robust, transparent and accountable decision-making framework.[1540]

14.204 Second, the principles can be seen to operate in other systems of professional regulation. To resolve the tension to which we refer to above, a model in which

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[1536] Described more fully in part A, section 2: Market Context.
[1537] RCVS, Should the Royal College be separated from the veterinary regulator – perhaps in separate organisations? - Professionals (accessed 7 October 2025).
[1538] RCVS, As a Royal College that regulates the RCVS is a unique organisation – shouldn't it also have a unique governance system? - Professionals (accessed 7 October 2025).
[1539] An independent vet [✂] also offered at least partial support for the RCVS's view. They told us that the RCVS being a 'Royal College that regulates' is a good thing and worked well when practices were owned by individuals who were answerable to the College. [✂] response to February Working Papers, p 13.
[1540] National Audit Office, Principles of effective regulation - NAO good practice guide (accessed 7 October 2025).

separate bodies[1541] perform professional leadership functions on the one hand, and standard setting, fitness to practise and disciplinary functions on the other, is adopted in those systems.[1542] That separation seeks to expose the tension between the two functions and to subject it to a discussion and resolution between the relevant, and potentially conflicting, interests, rather than subsuming it in a single governing council.

14.205 That model of separation is adopted in human medicine, for example, where the various medical Royal Colleges are separate from the General Medical Council and the Royal Pharmaceutical Society of Great Britain has been split into the Royal Pharmaceutical Society and the General Pharmaceutical Council.[1543] It is also the model in other professions such as law and architecture.[1544]

14.206 There is evidence that, notwithstanding its contentions, the departure of the RCVS's governance structure from the usual principles of regulatory governance has given rise to confusion and conflicts of interest. For example:

(a) In 2013 the RCVS commissioned a report which found that, 'Multi-stakeholder engagement activity revealed considerable concern about the ability of the RCVS to be both regulator and Royal College.' This resulted in a recommendation that the RCVS needs to, '…. achieve clarity of organisational identity and purpose. It needs to understand internally, and be able to articulate externally, how its regulatory functions are discharged without undue influence of any particular interest and sustain the confidence of the public as well as the professions'.[1545]

(b) More recently, in its 2020-2024 strategic plan, the RCVS acknowledged that, '… it can sometimes be difficult to understand why we do what we do' and, '…. this can cause stress and confusion.'[1546]

(c) The BVA's published policy position on RCVS governance states that the regulator's dual role has led to a, '… multiplicity of functions' that is, '… poorly understood by the professions and can be interpreted as a lack of coherent purpose.'[1547]

14.207 We have received several submissions on the RCVS's governance structure, including from:

[1541] Or functionally separate parts of the same body.
[1542] In some sectors, professional leadership bodies can also have representative responsibilities.
[1543] By the Pharmacy Order 2010.
[1544] Where The Law Society and The Solicitors Regulation Authority, and the Royal Institute of British Architects and The Architects Registration Board, respectively, perform the two roles.
[1545] Sally Williams & Associates (2013), *First Rate Regulator Initiative: Recommendations*, p 7.
[1546] RCVS (2020), Strategic Plan 2020-2024: Clarity, compassion, courage, confidence: the future of the Royal College of Veterinary Surgeons, p 6.
[1547] BVA, Policy position on RCVS Governance, p 11 (accessed 7 October 2025).

(a) IVC which has told us that it supports an, '…. enhanced RCVS regulatory remit' with 'appointed governance', '… ringfencing of the RCVS's existing Royal College functions' away from the regulatory function,' and '…. new resourcing arrangements to ensure the RCVS is able to effectively carry out [its] regulatory functions'.[1548]

(b) XL Vets which said that it supports an expansion of RCVS's remit to include veterinary businesses provided it is, '…. adequately resourced, transparent in its governance and equipped to regulate non-vet owners or boards'.[1549]

(c) The BVA, BVNA, BSAVA and FIVP who have told us[1550] that a clearer delineation of the regulatory and Royal College functions would be helpful, and that an appointed RCVS Council should contain suitably experienced and qualified veterinary surgeons in addition to lay members.[1551]

(d) The BVU which told us that the regulatory framework, '…. needs lots of reform' and that it would like to see a separation of the RCVS's dual roles and an elected council.[1552]

(e) The VMD which told us that the RCVS is not an independent regulator and its regulation of professionals and practices is (or would be) liable to give rise to conflicts of interest.[1553]

14.208 We note that in November 2024 and March 2025, the RCVS Council voted on possible changes to the College's future governance structure. The former vote followed a sector-wide consultation[1554] which highlighted that the, '…. public need to be assured that a regulator is acting in the interests of the public and not the profession, where those interests may differ'.[1555] [1556]

14.209 The recommendations the Council approved included:

(a) reducing its size to closer to the regulatory norm of 10 to 12 members, and for it to become a 'Board';

[1548] IVC response to the Remedies Working Paper, p 62.
[1549] XL Vets response to the Remedies Working Paper, pp 52 – 53.
[1550] In their main party hearing.
[1551] BVA, BVNA, BSAVA, FIVP hearing summary, p 4.
[1552] BVU response to the Remedies Working Paper, p 42.
[1553] VMD Response to the Remedies Working Paper, pp 1-2
[1554] RCVS, Annex A to Council Nov 24 AI 06c (accessed 8 October 2025).
[1555] RCVS (2024), *Ensuring good governance: a consultation on recommendations to reform the governance structure of RCVS Council and VN Council*, p 5 (accessed 7 October 2025).
[1556] The majority of respondents supported the call for reform, citing the following themes: the need to modernise and reform, increase public confidence in the sector, greater alignment with the regulatory norm, the regulation of the allied professions, and the requirement for RCVS to operate and be seen to operate, in the public interest. Among the concerns and points made opposing reform, the following themes emerged: representation of the interests of the profession, veterinary profession as an exception, reform not required, human healthcare model not appropriate, corporate influence. Council Nov 24 AI 06c An A (i) – Consultation report & annex by Adelphian Ltd, pp 5 - 8.

(b) full parity between lay and registrant members of the governing Board;

(c) for veterinary surgeons to remain predominant amongst the registrant half of the governing Board and for nurses to have at least one member on it; and

(d) introducing a council for veterinary surgeons, with the same option available for any future newly-regulated allied professions, and for all such councils, including the existing veterinary nurses Council, to report to the governing Board.

14.210 We make two observations in this connection. First, the approval of the recommendations does not, in itself, result in any changes to the existing RCVS's governance structure. Rather, they reflect the structure that the RCVS Council has agreed it should seek to persuade the government to adopt in any reformed veterinary services legislation.[1557]

14.211 Second, during the consultation period to which we refer, a number of alternative proposals were put forward, including separating the RCVS's 'Royal College' and regulatory functions. The RCVS Council rejected that possibility.[1558]

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[1557] The RCVS President said in March 2025, 'If we are to be granted a new Act by government, then we anticipate, given existing government reports, that this would include changes to the RCVS governance structure. The recommendations approved by Council today will inform our discussions with Defra.' RCVS, Council votes in favour of further proposed changes to RCVS governance - Professionals (accessed 7 October 2025).
[1558] RCVS, Council Nov 24 AI 06c (accessed 8 October 2025).

15. Veterinary nurses

Introduction

15.1 In this section we set out:

(a) our provisional assessment of how the regulation of veterinary nurses can affect competition in the market; and

(b) that we are minded to ask the government and the RCVS to consider changes to the regulatory framework.[1559]

Provisional assessment

The role of veterinary nurses

15.2 Veterinary nurses provide valuable supportive care to pets. As part of veterinary teams, they carry out technical work and are skilled in undertaking a range of diagnostic tests, medical treatments and minor surgical procedures under the direction of a vet.[1560,1561]

15.3 To become a vet nurse, an RCVS-accredited qualification is required, which must include 1,800 hours of clinical training. Individuals can qualify either via a further education (diploma) or higher education (degree) route.[1562]

15.4 Nurses are trained to understand the basis of common diseases in animal body systems and how they present, and in the use of medications, including routes of administration and recognition of adverse reactions. They are not permitted to diagnose illness or health and are expected to refer cases to vets where appropriate.[1563]

15.5 Veterinary nurses are often involved in communications with pet owners about pricing and other relevant information. For example, we learned from site visits and our roundtable discussions with nurses that they play an essential role in

[1559] We have included these points for government and the RCVS to consider here, rather than in part B, for two main reasons. First, it reflects their importance relating to discrete issues that are specific to vet nurses as a group of professionals. They merit their own focus. Second, because we recognise that, while the issues we identify relate to competition in the relevant market, they also raise clinical, animal welfare and public health considerations that require the focus of the RCVS and government. They are therefore separate from the set of remedies we propose in part B that go more directly and exclusively to our provisional AEC findings.
[1560] Set out on the RCVS website, I want to be a veterinary nurse (accessed 29 January 2025).
[1561] Examples of duties which may be delegated include but are not limited to: second vaccinations; maintenance & monitoring of anaesthesia; routine dental hygiene work; IV catheterisation and injections; IM injections; placing urinary catheters, and blood sampling (RCVS internal document, March 2020, submitted in response to RFI1 [✂]).
[1562] UK-qualified veterinary nurses - Professionals.
[1563] Supporting Guidance, Treatment of animals by unqualified persons.

providing information to consumers following a consultation and ensuring pet owners have understood what vets have told them.[1564]

15.6 Nurses can also play an important role in the education of pet owners, including in relation to preventative healthcare.[1565] The British Veterinary Nursing Association (the BVNA) has stated in this regard that:

> Registered Vet Nurses (**RVNs**)[1566] that consult at present are doing so from the preventative healthcare perspective, so often give a holistic consultation, addressing all areas of preventative treatment. This leads to improved animal welfare standards. Often clients will feel more at ease with an RVN and divulge more important information about their pet.[1567]

15.7 We understand that nurses are also sometimes used in practices as an alternative to recruiting to other roles, such as reception or administrative support staff.

The current regulatory framework for veterinary nurses

15.8 The current regulatory framework comprises the Veterinary Surgeons Act 1966 (**VSA**) and the provisions made in respect of veterinary nurses by the RCVS.

15.9 The VSA did not include reference to veterinary nurses when it was adopted in 1966. It was amended, however, in 1991 and the role (but not the title) of 'veterinary nurse' was formally recognised[1568] in Schedule 3 of the Act (**Schedule 3**). Schedule 3 was amended in 2002 to allow a veterinary nurse (or a student veterinary nurse) to carry out certain medical treatments and minor surgeries under the direction of a registered veterinary surgeon.[1569]

15.10 The RCVS regulates veterinary nurses. It introduced a non-statutory register of veterinary nurses in 2007 and a disciplinary system for Registered Veterinary Nurses (RVNs), for which it is responsible, in 2011.[1570] In 2015, the RCVS used its Charter powers to strengthen the regulation of RVNs. It made RVNs associates of the RCVS.[1571] It also provided for the Veterinary Nurses' Council to continue as an

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[1564] CMA, Summary of vet nurses roundtable discussion, 23 September 2024, paragraphs 22 – 24.
[1565] CMA, Summary of vet nurses roundtable discussion, 23 September 2024, paragraph 4.
[1566] RVNs are 'Registered Veterinary Nurses.' Those are veterinary nurses registered with the RCVS on the non-statutory register it introduced in 2007 (set out below).
[1567] BVA response to RFI1 [✂].
[1568] In the sense that the term was used in the amended Act, but the title was not reserved for those with relevant qualifications.
[1569] Supervised medical treatments and minor surgery not involving entry into a body cavity. The Veterinary Surgeons Act 1966 (Schedule 3 Amendment) Order 2002.
[1570] RCVS Knowledge, Veterinary nursing timeline (https://knowledge.rcvs.org.uk/heritage-and-history/history-of-the-veterinary-profession/veterinary-nursing-timeline/) (accessed 29 January 2025).
[1571] This differs from vets, who are members.

RCVS committee and for it to set standards for pre-registration training and education, requirements for registration, and standards for conduct.[1572]

15.11 The RCVS has created the Nurses Code and published the Guidance for Nurses. Those largely mirror the contents of the Code and the Guidance, which apply to vets, and all RVNs are required to follow the Nurses Code. The RCVS has set out its interpretation of Schedule 3 in both Guidance documents.[1573]

Weaknesses in the current regulatory framework

15.12 At a general level, the regulation of vet nurses appears to us to be vulnerable to similar weaknesses to those we have highlighted in part A Section 14 in respect of vets. These include: insufficient focus within the regulatory framework on the consumer-facing aspects of veterinary care and the promotion of competition; inadequate mechanisms for the RCVS to monitor and enforce compliance; and limited provision for pet owners to obtain redress where problems occur. As we cover those points in detail in part A Section 14, we do not do so again here.

15.13 We have considered three aspects of the regulatory framework that are specific to veterinary nurses: the protection of the 'veterinary nurse' title; the interpretation of current regulation; and the range of tasks that nurses are permitted by law to carry out. We have assessed the extent which each of these aspects could be affecting competition. Our provisional assessment is that:

(a) The title of veterinary nurse is not protected in law and as a consequence veterinary nurses do not play as prominent a role in the provision of services as might be expected in a well-functioning market. There is potential for them to play a greater role.

(b) There is uncertainty about the range of tasks that may be delegated to veterinary nurses under the existing regulatory framework. This has the potential to harm competition where in practice it restricts the range of services available to pet owners, and to harm animal welfare where it limits vet practices' capacities to provide clinical services.

(c) There is a risk that the existing regulatory framework provides, in any event, for too limited a range of tasks that may lawfully be delegated to veterinary nurses. This, too, risks limiting the services available to pet owners and increasing their cost.

[1572] RCVS Knowledge, Veterinary legislation in the UK (https://knowledge.rcvs.org.uk/heritage-and-history/history-of-the-rcvs/veterinary-legislation-in-the-uk/) (accessed 29 January 2025).
[1573] For example, Supporting Guidance for Nurses, Delegation to Veterinary Nurses.

Provisional points for the RCVS and government to consider

15.14 We conclude this section by setting out points that we propose to ask government and the RCVS to consider. These are that:

(a) Government should consider legislative reform that protects the title of veterinary nurse, reserving it to those holding relevant qualifications.

(b) The RCVS should consider the scope for further guidance on the interpretation of the existing Schedule 3 and the tasks that may be delegated to veterinary nurses, and publish further guidance where it identifies such scope.

(c) Government should consider changes to the VSA that expand the scope of tasks that may be performed by veterinary nurses.

Protection of the veterinary nurses' title

15.15 Although the term 'veterinary nurse' is now used in the VSA, and the RCVS regulates RVNs, the title 'veterinary nurse' is not protected in statute. That is, it is not reserved to those holding relevant qualifications so that unqualified people may refer to themselves as a 'veterinary nurse'.[1574] A 2023 BVNA report suggested that 48% of veterinary professionals surveyed were aware of unqualified persons still using the 'veterinary nurse' title in practice.[1575]

15.16 The lack of protection of the title has the potential to affect competition in the provision of relevant services for three reasons:

(a) Pet owners should be confident that a qualified professional is caring for their pet (or be clear where this is not the case), and that the fees charged reflect this. Details of the qualifications of individual(s) providing a service, or an explanation that they are unqualified, is material information which should be provided to pet owners to help them make informed decisions about the veterinary services they buy.[1576]

(b) Recognition of qualifications would confirm the professional status of those who have them. It could also operate as a signal of the quality of services in practices which employ veterinary nurses. Offering pet owners those signals can help them make informed choices and drive competition. Their absence can have the opposite effect.

[1574] Although it should be noted that veterinary surgeons and veterinary nurses should not hold out a colleague as a 'veterinary nurse' unless that colleague is appropriately registered with the RCVS. Set out in Supporting Guidance for Nurses, Treatment of animals by unqualified persons, paragraph 19.8.
[1575] BVNA, Protect the Title Campaign, Survey results, May 2023, p 7.
[1576] Unregulated legal services: Consumer protection law guidance - GOV.UK.

(c) Recognising the relevant qualifications, and protecting those who have them, could facilitate the delegation of tasks to veterinary nurses under Schedule 3. It could give vets more confidence and encouragement to make use of those delegations and broaden the group of persons by whom, and possibly the price points at which, services are provided, increasing pet owner choice.

Interpretation of the existing framework

15.17 RVNs complete a high level of training and stakeholders including nurses, the BVA, the BVNA and the RCVS have suggested that the existing statutory framework allows nurses to undertake a greater range of tasks than many currently do.[1577] Uncertainty about the tasks they may perform under this framework risks their being under-used.

15.18 The tasks that, under Schedule 3, RVNs and student RVNs may be delegated by a vet employed at the same practice to perform, under that vet's supervision,[1578] include carrying out medical treatments and performing minor surgery that does not involve entry into a body cavity.[1579] The responsibility is on the relevant vet to decide whether it is appropriate to delegate, and to be available to answer any call for assistance once delegation has been made.[1580]

15.19 Veterinary nurses who participated in our roundtable discussion,[1581] and in our qualitative research,[1582] told us that the opportunities to use their skills on a given day is subject to the discretion of the vet they are working with. Therefore, even where vets are clear about which tasks they can delegate, those opportunities will depend on an RVN's relationship with that vet and the level of trust the vet has in them, not least because the vet is responsible for the delegations they make to RVNs.[1583]

15.20 Schedule 3 does not appear to be well understood by many vets and RVNs.[1584] The RCVS has issued advice and formal guidance[1585] on what may be delegated and how. Associations such as the BVNA have also developed guidance to support their members.[1586] There is, however, no defined list of activities which can be carried out under Schedule 3. We understand from our RVN roundtable

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[1577] RCVS response to RFI3 Q15 [✂], BVA Teach-in [✂], CMA Summary of vet nurses roundtable discussion (23 September 2024) eg paragraph 7, and Visions of Future VN Regulation – [✂] (received 26 November 2024).
[1578] Paragraphs 6 and 7 of Schedule 3.
[1579] The Veterinary Surgeons Act 1966 (Schedule 3 Amendment) Order 2002.
[1580] Supporting Guidance for Nurses, Delegation to veterinary nurses.
[1581] Summary of vet nurses roundtable discussions.
[1582] Qualitative_Research_on_Pet_Owners__Experiences_of_Buying_Veterinary_Services_in_the_UK.pdf
[1583] Whether a delegating vet would remain professionally responsible in situations where the decision to delegate itself was appropriate, but something then goes wrong in the execution of the task itself by the RVN, would depend on the particular context (RCVS meeting with the CMA on 16 October 2024, p 83. [✂])
[1584] For example, the BVA, BSAVA, BVNA, SPVS, and VMG joint response to our Remedies Working Paper said a lack of clarity around Schedule 3 impacts the confidence of vets and RVNs to increase its use [✂]
[1585] Including case studies and a checklist. RCVS, Advice on Schedule 3.
[1586] BVNA guidance, Maximising the RVN Role under current legislation.

that getting timely clarification, via a phone call with the RCVS, on what is included in Schedule 3 can be very difficult and this can on occasion prevent RVNs from being able to act.[1587]

15.21 Uncertainty about the range of tasks that may be delegated to veterinary nurses can limit their role, and has the potential to harm competition where it restricts the range of services that are in practice available to pet owners, by whom they are provided and at what prices. It also has the potential to harm animal welfare where it limits practices' capacities to provide clinical services (such as nurse consultations on wellness, nutrition, chronic disease monitoring).[1588]

Legal limits on the veterinary nurse role

15.22 We have heard concerns that the range of tasks that may lawfully be delegated to veterinary nurses is in any event unduly restricted, limiting the services that could be made available to pet owners and increasing their cost.

15.23 Roundtable participants told us that due to the confines of the VSA nurses often refer to vets cases that they could deal with themselves, which leads to additional costs for pet owners.[1589] The BVNA has said that expanding the veterinary nurse's role would improve their job satisfaction and reduce the number leaving the profession, and would free up vets, '…. to do what only a vet can do: diagnose, prescribe and perform surgery'.[1590]

15.24 The RCVS has told us that it is considering whether community nursing would be possible under current legislation, but indicated this would be difficult without changes to the law which currently requires the nurse to be under the employment of a vet, meaning they cannot work alone.[1591] 'District nursing' style services provided in domestic settings would broaden the offering to pet owners, particularly those who find it difficult to travel to practices or whose pets experience stress when visiting them.

Provisional points for the RCVS and government to consider

15.25 We are mindful that our investigation relates to matters that affect competition for relevant veterinary services, and that the role of veterinary nurses should also be shaped by clinical, animal welfare and public health considerations. We note in that regard that, in response to our Remedies Working Paper, in which we

[1587] CMA, Summary of vet nurses roundtable discussion, 23 September 2024, paragraph 19.
[1588] BVNA Congress 2024 'Why utilising your nursing team means a healthier business.' [✂] (received 26 November 2024).
[1589] CMA, Summary of vet nurses roundtable discussion, 23 September 2024, paragraph 7.
[1590] BVNA IS Response.
[1591] RCVS meeting with the CMA on 16 October 2024, p 73. [✂].

discussed possible changes to that role, concerns were raised about possible unintended consequences.[1592]

15.26 The concerns included that, without appropriate training, veterinary nurses would not have the clinical knowledge to undertake many procedures or to deal with complex diseases. They also included a concern that an expanded role for nurses would limit opportunities for junior vets, erode their competence and ultimately require more surgery to be undertaken in (more expensive) referral centres. Another concern was that pet owners may perceive a drop in the quality of care if veterinary nurses perform tasks previously undertaken by vets.

15.27 We take into account that Schedule 3 applies to farmers, as well as veterinary nurses, and limits the veterinary care farmers may provide to their own animals. There are likely to be additional considerations, outside the scope of this investigation, that arise in a farming context.[1593] Any consideration of legislative reform would need to take those into careful account.

15.28 Nonetheless, the responses to our remedies working papers included broad support for reform in each of the three areas considered above:

(a) In relation to the protection of the title of veterinary nurse, the responses were overwhelmingly supportive. They said that such a step would recognise the valuable role nurses play, enable practices to differentiate themselves based on the qualifications of their staff, help pet owners make more informed choices, and improve pet safety and care standards.

(b) In relation to the existing framework, the majority of respondents supported the need for clarification. Respondents said there was the lack of clarity around which procedures could be delegated to RVNs, leading to hesitancy among veterinary surgeons and inconsistent delegation practices.[1594] In its response, the BVA agreed that more effective use of nurses would free up vet time, relieving pressures on them and resulting in better overall use of veterinary skills. It also agreed that more clarity is needed about accountability when tasks are delegated to veterinary nurses.[1595]

(c) In relation to legislative reform, all of the LVGs have indicated their support for an expanded role for veterinary nurses,[1596] as have a number of other

[1592] For example, BVA, BSAVA, BVNA, SPVS and VMG joint response to Remedies Working Paper.
[1593] We understand that any expansion of the definition of 'minor surgery', for example, to allow RVNs to perform more such surgery, would, absent any legislative carve-out, also extend to farmers. The RCVS is concerned to ensure animal health and welfare in the context of the veterinary care that farmers can lawfully provide to their animals (eg anaesthesia). Any legislative reform would therefore require careful consideration, and possible limitation, of what treatments farmers may administer to their animals (RCVS meeting with the CMA on 16 October 2024, p 85. [✂]).
[1594] CMA summary of Remedies Working Paper responses, for example BVA, BSAVA, BVNA, SPVS and VMG joint response, Respondent 27, Respondent 12.
[1595] BVA, BSAVA, BVNA, SPVS and VMG joint response to Remedies Working Paper.
[1596] CVS, IVC, Linnaeus, Pets at Home, Medivet Remedies Working Paper responses. VetPartners Issues Statement response.

stakeholders.[1597] The responses cited potential benefits such as increased efficiencies, greater job satisfaction, broadened service offerings, and improved access to veterinary care. Some also expressed support for advanced specialisms, whereby vet nurses could complete further qualifications which open up further roles such as nurse practitioners or prescribers.[1598]

15.29 We are therefore minded to ask that, taking into account the relevant clinical, animal welfare and public health concerns, the appropriate bodies consider whether there is scope further to promote competition by amending the regulatory framework that applies to veterinary nurses. In particular, that:

(a) Government consider legislative reform that protects the title of veterinary nurse, reserving it to those holding relevant qualifications.

(b) The RCVS consider the scope for further guidance on the interpretation of the existing Schedule 3 and the tasks that may be delegated to veterinary nurses, and publish further guidance where it identifies such scope.

(c) Government consider changes to the VSA that expand the scope of tasks that may be performed by veterinary nurses. It could give the RCVS the powers to specify these tasks, and possibly also to define different categories of tasks which could be completed by vet nurses depending on their qualifications. Government may also wish to consider issues of accountability, for example, by reallocating accountability for tasks carried out by vet nurses from vets to vet nurses themselves.

15.30 Each of those steps could address the competition concerns we have provisionally identified. Formally recognising and protecting the veterinary nurse title, reserving it for those with relevant qualifications, would increase transparency, facilitate the communication of quality signals to pet owners, help them make informed choices about the practices they use and drive competition between practices.

15.31 Clarifying the existing scope of Schedule 3 could include consulting on and publishing a clearer list of treatments and procedures that may be delegated to veterinary nurses, and in what circumstances. There may also be scope for a more detailed framework which, for example, specifies qualifications or Continuing Professional Development (**CPD**) modules which, if completed by a veterinary nurse, could give vets more confidence in delegating specified tasks under the existing framework. More regularly updated guidance, containing examples and

[1597] CMA summary of Remedies Working Paper responses, for example PDSA, Hook Norton, Pennard Vets, Institute of Osteopathy.
[1598] CMA summary of Remedies Working Paper responses, for example Respondent 11, Respondent 13, Pets at Home, Institute of Osteopathy.

case studies to encourage consistency in the approach to delegation and to clarify lines of accountability, may also be beneficial.

15.32 We understand that the RCVS is planning to lead a project over 2025-2026 on the effective use of veterinary nurses. Its stated potential outputs include, '… digital resources, clear communication, clarification of Schedule 3, process driven protocols, examples of what good looks like, and transferable scenarios'. It has said that there will be a focus on addressing the public perception of the nurse's role in delivering veterinary healthcare, and support in developing interprofessional and public-facing communications.[1599]

15.33 That project, it appears to us, provides the platform for the RCVS to act on our suggestions. Greater clarity about the tasks veterinary nurses may already perform, and guidance for vets on the training carried out by RVNs, could encourage more delegation and increase the range of services that are available to pet owners (and by whom they are provided and at what price).

15.34 Legislative changes to the tasks veterinary nurses may perform would facilitate the effective use of vet nurses further. As well as helping with shortages of veterinary surgeons, the ability of vet nurses to perform a bigger range of tasks could provide a point of competitive differentiation between practices. For example, it may allow new ways of accessing nurse-specific services to emerge, particularly in areas like preventative health and palliative services,[1600] and advanced specialisms for veterinary nurses could be developed.[1601] Pet owners could distinguish between those practices which offer a range of services (and prices) performed by veterinary nurses and those which do not.

[1599] RCVS response to Remedies Working Paper.
[1600] Hook Norton Remedies Working Paper response.
[1601] In roles such as nurse practitioners or prescribers, or an increased role in anaesthesia.

16. Provisional conclusions

Introduction

16.1 We are required to decide whether 'any feature, or combination of features, of each relevant market prevents, restricts or distorts competition in connection with the supply or acquisition of any goods or services in the UK or a part of the UK'.[1602] A feature can take the form of the structure of the market and/or conduct of any of the participants in the market, including customers.[1603] We can consider either individual features or a combination of features of a market. 'Conduct' includes any failure to act (whether or not intentional) and any other unintentional conduct.[1604]

16.2 The framework for our analysis of the product market definition is explained in part A, section 4. We have provisionally defined the markets as:

(a) the retail supply of veterinary services for household pets by FOPs;[1605] and

(b) the supply of OOH provision to FOPs.[1606]

16.3 The framework for our analysis of the geographic markets is explained in part A, section 4 and we have provisionally found that, for both product markets, the relevant geographic market is local.[1607] However, for the purpose of our competitive assessment, we have generally considered competition across the local markets (ie on a UK-wide basis) for each because of the similarity in competitive conditions across those markets.

16.4 We provisionally find that features of the market for the retail supply of veterinary services for household pets by FOPs in the UK have an adverse effect on competition (AEC) for those services.[1608] We also find that features of the market for the supply of outsourced OOH provision to FOPs in the UK have an AEC for those OOH services.

16.5 We set out the features giving rise to the AECs in more detail, including our assessment of their pervasiveness across local markets, below. First, however, we present a brief overview of our competitive assessment.

[1602] EA02, section 134(1).
[1603] EA02, section 131(2) and CC3 (Revised), paragraph 155.
[1604] EA02, section 131(3).
[1605] Part A, section 4: Market definition, subsection Provisional conclusion on product market definition for the retail supply of veterinary services for household pets by FOPs.
[1606] Part A, section 4: Market definition, subsection Supply of outsourced OOH provision to FOPs.
[1607] Part A, section 4: Market definition, subsection Geographic market definition.
[1608] Including in respect of the information and advice FOPs provide about referral services.

Overview of the competitive assessment

16.6 As set out in part A, section 3, there are some overarching factors which are, to some extent, inherent to the veterinary services market.[1609] These include a number of important demand-side factors and what we describe as the 'gateway' role vets play.

16.7 As to the demand-side factors, veterinary services are often complex - vets are experts and pet owners are not. Pet owners will always know less than their vet and will not be able directly to judge the relative merits of potential diagnostics and treatments or clinical quality. They nonetheless want to do the best for their pets when making decisions on their behalf. They will rely for that on their vets, in a relationship of trust. There will sometimes be uncertainty in vet care (for both the vet and the pet owner) as to what health conditions a pet will develop, what treatments will be best for a pet and the clinical outcomes. Sometimes pet owners' decisions will be made in urgent or emotionally charged situations.

16.8 In terms of vets' gateway role, they provide advice and access to treatments, tests and medication (most of which they also sell directly).

16.9 Our provisional view is that these inherent factors limit the extent to which pet owners are able (and willing) to make informed choices when purchasing veterinary products and services and, through their choice of FOP, to put competitive pressure on vet practices to lower prices and maintain or increase the quality of their services.

16.10 Given these factors, a well-functioning market in vet services requires certain elements to be in place to support and protect pet owners, and for veterinary businesses to support vets to help pet owners.

(a) It is essential that pet owners are provided with sufficient appropriate and timely information – including on prices, the available options for treatments and services and the ownership of those who supply them – in order to help them make informed choices which best suit their preferences and needs, and the needs of their pet.

(b) In a market where expert professionals provide commercial services to consumers who, even when they are given better quality information, cannot easily judge the quality of those services, often in emotional or pressured circumstances, there is a need for an effective regulatory framework. This framework would maintain minimum standards, protect consumers and help them make informed choices. The framework would ensure that veterinary businesses support vets in achieving these outcomes. This is especially the

[1609] Part A, section 3: Factors which affect how competition works in the market for veterinary services.

case when the financial outcomes for the vet or their employer may be affected by the pet owner's decisions.

16.11 In part A, sections 8-13, we set out evidence that adequate information is not routinely available for pet owners.[1610] In part A, section 14 we set out how the current regulatory framework is inadequate and not fit for purpose.[1611] The limited competitive pressure pet owners put on veterinary businesses is, therefore, exacerbated by the poor information transparency and the inadequate system of regulation, which contributes to our provisional finding of an AEC.

16.12 In part A, section 7 we set out that prices have risen more rapidly than general inflation and vet salaries.[1612] The evidence we have seen suggests that these price rises cannot be fully accounted for by increases in the quality of the services provided. We also have evidence (set out in appendix C and summarised in part A, section 7) that that veterinary businesses covering a substantial part of the market earned profits materially exceeding the cost of capital over a sustained period.[1613]

Provisional decision

16.13 Our provisional decision, based on the facts, evidence and analysis in this report, is that the features described in the following paragraphs have an AEC in the markets for (i) the retail supply of veterinary services for household pets by FOPs in the UK, and (ii) for the supply of outsourced OOH provision to FOPs in the UK, respectively.

AEC in the market for the retail supply of veterinary services by FOPs

The features

16.14 We have provisionally found that the following features of the market for the retail supply of veterinary services for household pets by FOPs in the UK, individually or in combination, prevent, restrict or distort competition in connection with the supply of those services:

(a) Certain features that are inherent to some degree in the market:[1614]

[1610] Many of whom, in any event, place limited or no weight on price, or do not compare prices, when making decisions about some of the products and services they buy and from whom, but more of whom likely would if better information were available.
[1611] Part A, section 14: Regulatory framework for veterinary services.
[1612] Part A, section 7: Market outcomes.
[1613] Appendix C: Financial and profitability analysis; part A, section 7: Market outcomes.
[1614] These are features that, notwithstanding their potential to have an adverse effect on competition, we would expect to find, to some degree, even in a well-functioning market (owing to the nature of the relevant services and the way pet owners interact with vets).

(i) the complexity of many veterinary services;

(ii) pet owners make decisions on behalf of their pets and want to do the best for them;

(iii) pet owners inevitably have less expertise than their vets, cannot directly assess the diagnostic and treatment options that may be available and the clinical quality of the services they receive (which is hard to measure and communicate to them) and rely on their vets, in a relationship of trust, to help them make decisions;

(iv) pet owners' decisions about vet services are sometimes made in urgent or emotional situations;

(v) there is sometimes uncertainty in vet care, both about what treatments pets need and the clinical outcomes;

(vi) highly sophisticated (and often costly) treatments are available for pets; and

(vii) vets necessarily play a gateway role – their expertise and advice is needed for diagnoses, treatments and referrals, and the prescription of many medicines, and that gives them a dual role of both advising on those services and products and giving access to and selling them.

(b) Other features that are not inherent to the market (those that can be changed or modified), but which exist in the market at the moment:

(i) some pet owners are aware of price differences, and some of those who are aware take price into account when choosing FOPs and buying medicines, but many are not aware, do not compare prices or take price into account when making those decisions;

(ii) there is a lack of easily accessible, timely and clearly comparable information for pet owners about the products and services provided by vet practices, including their prices and levels of quality, about the veterinary businesses themselves (such as ownership links), and about alternative suppliers of these services; and

(iii) the regulatory framework is inadequate – it does not sufficiently help address the features above that can be changed or modified, nor does it sufficiently reduce the potential for harm from the inherent features – in that it:

(1) does not, in addition[1615] to objectives concerning animal welfare and the public interest, place enough focus on the interests of pet owners as purchasers of veterinary services and on promoting competition to serve those interests;[1616]

(2) is too narrow in scope – binding only individual vets and nurses, but not veterinary businesses;

(3) gives pet owners only limited and inadequate help in gauging the relative quality of services;

(4) contains poorly designed mechanisms for monitoring and enforcing compliance with regulatory requirements;

(5) contains limited provision for effective complaint handling and consumer redress; and

(6) does not adequately separate the regulator's professional leadership functions and those relating to standard-setting and disciplinary matters.

16.15 These features raise significant competition concerns. They mean that competition does not operate as effectively as it would were pet owners able to make better informed and supported decisions about the products and services they buy, and from whom, and to which practices have to respond (for example, by lowering prices or increasing quality, or offering a range of services, prices and quality that meet pet owners' needs).

16.16 In the section below on customer detriment we assess how the AEC arising from these features is likely to be leading to significant harm to pet owners. The evidence of detriment that we identify, including our analysis of acquisition effects by certain LVGs and the level of profitability in the sector, is consistent with our provisional AEC finding. It is part of a set of evidence, comprising a number of elements, that supports our provisional judgement that there is an AEC owing to the features we have described.[1617]

[1615] And complementary to.
[1616] For example, it does not ensure that vets and veterinary businesses routinely provide pet owners with appropriate and timely information about treatment options and prices.
[1617] Taking into account that, as set out in paragraph 126 of the CC3 guidance, it says, '… the CMA will consider prices and profitability in the context of its overall assessment of the market. While useful, findings that price-cost margins are wide or profitability is high in a market do not on their own provide conclusive evidence that the market could be more competitive. Such findings are not in themselves causes of competitive harm—they are not features of the market for the purpose of the AEC test.'

The prevalence of relevant features across local markets

16.17 Our analysis of the AEC is not focused on circumstances specific to individual local markets, but on market structure or behaviour that affects competition between vet practices across local markets.

16.18 We have provisionally found that all of these features apply across the reference area (that is the United Kingdom) for the following reasons:

(a) given the inherent factors that affect customer behaviour when purchasing vet services, and the absence of any evidence or objective reason to believe that the pattern of behaviour may not apply in any particular local market, we assess that the inherent features of the market that we identify apply across the entire reference area;

(b) veterinary businesses vary in their provision of information to pet owners, but we have not seen evidence that there are systematic differences between different local markets in how well information is provided; and

(c) the regulatory framework applies on a national basis (typically the UK).[1618]

16.19 We therefore provisionally conclude that there are features that alone or in combination lead to an AEC in all relevant markets for veterinary services at FOPs in the UK.

AEC in the market for outsourced OOH provision to FOPs

The features

16.20 Our further provisional finding is that the following features of the market for the supply of outsourced OOH provision to FOPs in the UK, individually or in combination, prevent, restrict or distort competition in connection with the supply of those services:

(a) Certain features that are inherent to some degree in the market:

(i) The demand for OOH services is lower, the costs of providing them are higher, and the market is more concentrated than for FOP services;

(ii) Contractual notice periods and termination fees will likely, to some extent, be necessary to protect the commercial viability of outsourced OOH services;

[1618] Save where, following the UK's exit from the European Union, some specific provisions relating to the supply of veterinary medicines apply in Northern Ireland only.

(iii) Even if information on providers of OOH services were available, many pet owners are unlikely to shop around when choosing an OOH provider, particularly given the urgency with which OOH services are typically required. FOP vets are required by regulation to provide 24 hour care so that OOH services are likely to be viewed by pet owners as part of a FOP's overall offering. These two features, in turn, are likely to weaken the competitive pressure on OOH providers selling those services to FOPs; and

(b) A feature that is not inherent to the market, but which exists in the market at the moment, namely that some contracts for the supply of the services contain terms providing for longer notice periods, and higher early termination charges, than are necessary to provide the contractual certainty required to make the supply of the services viable.

16.21 These features result in barriers to OOH suppliers entering the market and to FOPs switching supplier (or self-supplying) where they do not receive a good level of service or prices are too high. They reduce the competitive pressure existing suppliers are under to maintain or improve the quality of their services and lower prices in order to win and retain business.

The prevalence of the relevant features across local markets

16.22 Again, our analysis of the AEC is not focused on individual local markets, but on market structure or behaviour that affects competition between suppliers across local markets. Our provisional finding is that the relevant features apply across many of the markets in the reference area (the UK) for the following reasons:

(a) OOH providers vary in their contract terms, but we have not seen evidence that there are systematic differences between different local markets in how contracts are structured (for example, evidence that there is a link between contract terms providing for long notice periods and high early termination charges, and conditions specific to certain local markets); and

(b) the regulatory framework (including the requirement on FOPs to make provisions for OOH care) applies on a UK wide basis.

16.23 We therefore provisionally conclude that there are features that alone or in combination lead to an AEC in relevant markets across the UK for outsourced OOH provision to FOPs.

Customer detriment

16.24 We have assessed outcomes of the competitive process in the relevant markets to help us determine whether there is an AEC and, if so, the extent to which

customers may be harmed by it (the degree and nature of 'customer detriment'). This can also be an important factor in our consideration of possible remedies.[1619]

16.25 The relevant outcomes and the customer detriment could take a number of forms. The Act defines a detrimental effect on customers as one taking the form of: (i) higher prices, lower quality, or less choice of goods or services in any market in the UK;[1620] or (ii) less innovation in relation to such goods and services.[1621] Our guidance notes that the outcomes of the competitive process could be observed in, for example, prices, levels of profitability, and in levels of quality, innovation or other non-price indicators.[1622]

16.26 We have focused on the extent to which outcomes for customers are likely to be worse than those we would expect as a result of the AECs we have provisionally found. We have considered outcomes in the market for the supply of veterinary services by FOPs and outcomes in the market for the supply of outsourced OOH services to FOPs. Our provisional assessment is that there is significant customer detriment in the former market, and some evidence of customer detriment in the latter.

16.27 This customer detriment arises, in part, due to how the inherent features interact with those features that can be changed or modified. While we would expect the inherent features to remain in a well-functioning market, they may lead to customer detriment that can be mitigated by addressing those features that are not inherent and by the adoption of an effective regulatory framework. Such regulation would form part of a well-functioning market for vet services.[1623]

The supply of veterinary services by FOPs

16.28 In the supply of veterinary services by FOPs, significant customer detriment is likely given our competition concerns, including the following:

(a) There is low competitive pressure on prices of FOP services (which arises from the features we have identified), so it is likely that FOP prices are significantly higher than we would expect in a well-functioning market. This low competitive pressure is likely contributing materially to the increases in the prices of FOP services that we have observed over the last decade, as outlined in part A, section 7. We have provisionally found that part of these price increases is not explained by improvements in quality and higher costs. The price increases are likely to harm customers through:

[1619] CC3 (Revised), paragraphs 103 and 104.
[1620] Whether or not the market to which the feature or features concerned relate.
[1621] EA02, section 134(5).
[1622] CC3 (Revised), paragraphs 103-129.
[1623] Part A, section 5: A well-functioning market for vet services

(i) increases in their expenditure on FOP services; and

(ii) some pet owners forgoing purchasing some, or any, veterinary services at FOPs, resulting in greater health risks to the animals that pet owners care about (with the harm to pets closely linked to consumer harm).

(b) Limitations on the choices of pet owners:

(i) Some pet owners may not be choosing a FOP that best fits their needs and preferences due to the lack of easily accessible, timely and clearly comparable information on the products and services provided by vet practices.

(ii) Some pet owners may not be choosing the treatments (or referral service) that best meets their preferences and needs (and the needs of their pets) because they are not given appropriate and timely information about their treatment (or referral service) options, their prices and potential outcomes. This type of customer detriment may lead to significant additional costs for pet owners due to their reliance on vets and the lack of support given to vets on how to put pet owners at ease in making difficult choices, including, in certain circumstances, explaining that less expensive options are clinically appropriate or how euthanasia can help relieve animal suffering.

16.29 It is difficult to measure the potential scale of detriment in relation to pet owner choices, including decisions to forgo vet services. For these types of detriment, we do not have estimates of the overall magnitude of detriment. We only have indicative estimates of detriment relating to customer expenditure at FOPs (set out in the subsection 'The detriment for which we have indicative estimates' below).

16.30 While it has not been possible to measure all types of detriment, the features we have provisionally found and the overall evidence we have received indicate that the customer detriment is likely to be significant.

16.31 First, there is evidence of customer detriment relating to rising prices that is supportive of our provisional finding of an AEC,[1624] including:

(a) Average prices across the sector grew by 63% between January 2016 and December 2023, greater than general service inflation of 32% over this period). For LVGs, increases in salaries (the most significant cost of a veterinary business), explain at most around half of their price increases.

(b) For the period between January 2023 and July 2024, the average price charged by LVG-owned practices was 16.6% higher than what independent

[1624] Set out in part A, section 7: Market outcomes.

practices charged.[1625] In a well-functioning market such price differences would reflect LVGs offering higher quality services on average than independents. However, there is no clear evidence that this is the case and our pet owners survey indicates that, on average, pet owners are more satisfied with the quality of vet services at independents.

(c) Separately, for at least three LVGs, there is strong evidence that acquisitions caused an increase in average prices.[1626] These specific price increases cannot be wholly explained by these LVGs undertaking a strategy to reposition their practices as higher quality.

(d) Customer satisfaction is particularly low for the cost of veterinary services. In our pet owners survey, net satisfaction scores out of 100 on the cost of service in relation to a pet owner's last FOP visit were 26% for LVGs and 47% for independent veterinary businesses.[1627]

16.32 Second, there is evidence that customers are not being routinely given appropriate information about treatment options and prices,[1628] including:

(a) Less than half (43%) of the respondents to our pet owners survey reported that they were provided with price information in advance of their most recent non-routine treatment.

(b) A significantly higher proportion of respondents to our pet owners survey who self-identified as finding life financially 'very difficult' did not agree that their vet considers their personal circumstances when deciding which treatment options to offer (35%) when compared to those 'living comfortably' (19%) or 'doing alright' (18%).

16.33 Third, there is evidence that the high price of medicines at FOPs, in combination with high customer expenditure on medicines at FOPs (accounting for around 20% of FOP revenues), is a significant driver of customer detriment,[1629] including:

(a) Medicines prices are significantly higher at FOPs than online pharmacies. Our analysis of prices from LVGs that own and operate online pharmacies (CVS, IVC, and VetPartners) shows that the price of veterinary medicines at

[1625] This comparison of prices between LVGs and independents does not show the extent of any price differences between LVGs. Assessing differences in price and quality between LVGs was not a focus of our analysis. We also note that this price dispersion analysis does not seek to control for possible quality or cost differences between services at different veterinary businesses.
[1626] We consider this effect further in our estimates of customer detriment in the section below.
[1627] Satisfaction over costs remained lower for customers of LVGs even when the customer did not know their FOP was part of an LVG. Part A, section 7: Market Outcomes.
[1628] Set out in part A, section 10: Choice of treatments and referrals
[1629] Set out in part A, section 11: Veterinary medicines.

these online pharmacies can be between 50% and 60% less than the price of the same veterinary medicines at their FOPs.[1630]

(b) Many pet owners could make substantial financial savings of [£200-300] [✂] on average annually when purchasing commonly prescribed veterinary medicines from an online pharmacy rather than a FOP.[1631]

(c) Retail prices for veterinary medicines at both LVG-owned and independent FOPs appear to be between two and five times their purchase costs on average.[1632]

16.34 Fourth, there is evidence of customer detriment in FOPs' supply of cremations.[1633]

(a) Cremations can represent a significant cost to pet owners – they can cost £300 or more, with extras such as urns and paw prints sold as add-ons to this base price.

(b) Pet owners may be paying in the order of an extra £100 for individual cremations at a substantial number of FOPs, compared to the prices they would pay if FOPs faced strong price competition.

16.35 Fifth, there is evidence of pet owners forgoing veterinary services. As noted above, customer satisfaction is particularly low for the cost of veterinary services, which is consistent with affordability of veterinary services being a key concern. There is a wide range of evidence to support the concern that rising costs mean that pet owners are struggling to afford veterinary services and are foregoing or reducing their use of these services.

(a) The 2023 PAW report found that 9% of owners say they have delayed taking their pet to the vet when it was ill because it was too expensive (two million pets).[1634]

(b) In our pet owners survey, 279 people who started the survey were screened out because they had not visited a vet within the last two years. Before exiting the survey, they were asked why they had not visited a vet and 65 cited vets being too expensive as a factor. This survey evidence indicates

[1630] We would expect a broadly similar percentage difference in price between other FOPs and online pharmacies based on our understanding of the prices of veterinary medicines at other FOPs and other online pharmacies.
[1631] The overall financial savings will depend on the specific choice of medicine, the dosage (and frequency of doses), and the length of treatment recommended by the vet (all resulting from the vet's clinical assessment) as well as the level of fees charged by FOPs for dispensing medication or for the provision of a written prescription.
[1632] This is equivalent to an average mark-up on purchase costs of between 100% and 400%. The mark-up on purchase costs is estimated as the difference between retail prices and purchase costs expressed as a percentage of purchase costs. As set out in part A, section 11: Veterinary Medicines, subsection Profitability of veterinary medicine sales to FOPs, our analysis of mark-ups on purchase costs is only indicative of the 'true' mark-up as it has some limitations. The results are however broadly consistent with information provided by LVGs on their estimated average mark-up on the 'net net' prices of veterinary medicines sold as distinct products by their FOPs.
[1633] Set out in part A, section 13: Cremations.
[1634] PDSA PAW report, 2023, pg 16.

that the cost of vet services is a significant issue for some people who do not regularly visit a vet.[1635]

(c) PDSA reported that rehoming charities including RSPCA, Cats Protection and Dogs Trust have reported an increase in the number of people calling their helplines and citing rising costs as a factor in the need to rehome their pets.[1636, 1637, 1638]

(d) Our qualitative research with vet professionals found that a few vet professionals explicitly mentioned increased euthanasia rates as a sector challenge, which they felt was due to financial constraints and therefore ability to afford alternative treatment options.[1639]

The supply of outsourced OOH services to FOPs

16.36 In the supply of outsourced OOH services to FOPs, customer detriment arises where contracts contain long notice periods and high early termination fees that operate as barriers to entry and switching. In those cases, FOPs that contract with external OOH providers are unable effectively to discipline such providers (or, as a last resort, find an alternative to their current OOH provider), giving rise to the concern that pet owners receive worse services or pay higher prices than would otherwise be the case.

16.37 Evidence we have seen from some vets – both an LVG and smaller FOP businesses – indicates that such notice periods and fees are inhibiting market entry and switching (including to self-supply), including in cases where FOPs have received a poor level of service quality (part A, section 12).[1640] We cannot quantify the scale of this detriment. We observe, however, that there is the potential for it to be significant where the quality of service (for example, in terms of the availability of appointments or the distance pet owners have to travel with sick animals) could degrade for substantial periods of time.

[1635] In our pet owners survey, pet owners who had not taken their pet to the vet in the last two years were screened out of completing the rest of the survey. However, they were asked the question: "Why have you not visited a vet in the last few years?". We do not consider that this is a representative survey of pet owners who have not visited the vet in the past two years, due to the phrasing in the invitation letter giving pet owners information on whether they would be eligible to complete the survey. Pet owners survey, Q6

[1636] PDSA PAW report, 2023, pg 15.

[1637] One attendee at our consumer roundtable referred to the widely reported increase in pet owners giving up their pets because they could no longer afford to keep them, partly due to the increasing cost of veterinary fees. One attendee representing an organisation with a number of rescue centres said they had seen some animals that had been brought in that were clearly very unwell and should have been seen by a vet much earlier. Summary of consumer roundtable, paragraph 8.

[1638] Applications for a Blue Cross fund for pet owners who cannot afford emergency care have also increased from 1,319 in 2023 to 4,807 in 2024, a 264% increase. See Vet bills: More pets being put down due to rising costs, BBC told - BBC News.

[1639] Qualitative research with vet professionals, page 91. See also quotes from vet professionals on pages 88 and 92.

[1640] Part A, section 12: Outsourced out-of-hours (OOH) provision to FOPs.

The detriment for which we have indicative estimates

16.38 We have estimates that indicate the overall magnitude of one important type of customer detriment, the additional customer expenditure from price increases due to low competitive pressure on prices. In Table 16.1 below, we summarise the two sets of estimates that we have in relation to this type of customer detriment. These estimates do not capture the other incidents of customer detriment that we note above, that is the detriment from the reduced usage of veterinary services and limitation to pet owners' choices. In our provisional view, the overall customer detriment from all types of detriment is likely to be significantly greater than what we have been able to quantify.

Table 16.1 Indicators of customer detriment from additional customer expenditure from low competitive pressure on prices

Indicators of this detriment	*Estimates (to the nearest £100 million)*	*Notes on the estimates*
Economic profits	£1 billion over the last 5 years	Excludes independents
Acquisition effects	£600–700 million over the next 5 years	Limited to 3 LVGs

Source: CMA analysis

16.39 In the sections below we provide an explanation of our two estimates, what they indicate, and our assessment of whether they are likely to understate or overstate customer detriment. These estimates are not additive but are different ways of providing an indication of the same type of detriment. Further details of our calculations are set out in Appendix C and below.[1641]

Profitability estimates

16.40 In seeking to assess the scale of customer detriment in the market for vet services, we look to our profitability analysis of the six LVGs, which provides evidence of the profitability of veterinary businesses comprising approximately 60%[1642] of the market. We estimated economic profits of these LVGs' FOPs: profits in excess of the level required for a reasonable return on capital invested.

16.41 A well-functioning market is not based on idealised competition so we would expect to see some level of economic profits. The most efficient firm may earn some economic profits as it does not need to pass on to customers all its cost savings if other firms cannot fully match these savings. However, we would not expect significant and widespread economic profits to be sustained. Over time, we would expect such profits to be competed away as firms vie for customers by offering lower prices or higher quality. Estimates of significant and sustained

[1641] Appendix C: Financial and profitability analysis.
[1642] Appendix C: Financial and profitability analysis.

economic profits over a substantial part of the market therefore give an indication of the overall magnitude of customer detriment, even if not an exact measure of it.

16.42 For some LVGs, accounting for a substantial part of the market, economic profits have been material and sustained (part A, section 7).[1643] Across all six LVGs, we estimate that economic profits sum to around £1 billion over the period 2020 to 2024 and expressed in present value terms.[1644] These profitability estimates accordingly indicate that there is significant customer detriment arising from the AECs.

16.43 Given that our profitability analysis does not include independent firms, which make up around 40% of the market, our estimate of the overall scale of customer detriment is likely to be understated.

16.44 We have not conducted a profitability assessment of independent vets, but we would expect at least some independents to be making economic profits. The features that adversely affect competition apply across the sector and create the opportunity to make economic profits, and the wide distribution of margins among independent vets, including some with significantly higher margins than others,[1645] is consistent with some of them making economic profits.

Estimates based on acquisition effects

16.45 Our analysis has found strong evidence that acquisitions by at least three LVGs ([✂], [✂], and [✂])[1646] of independent FOPs caused an increase in average prices, an 'acquisition effect' that was in addition to increases in prices by independent practices that were not acquired. The increase in these average prices includes a wide range of services offered by FOPs including consultations, diagnostics, drugs, surgery, hospitalisation and therapy. Our provisional assessment is that a significant driver of these acquisition effects on prices was a lack of effective competition between FOPs.[1647]

16.46 Using the acquisition effects on average prices across a wide range of veterinary services as a measure of how much higher [✂], [✂] and [✂] prices are across all their FOPs, compared to independent veterinary businesses, we estimate that these price differences resulted in additional customer expenditure across these three LVGs of around £130 million to £160 million in 2024.[1648] Over the next five

[1643] Part A, section 7: Market outcomes.
[1644] In the CMA's base case scenario expressed in present value terms (that is, how much money is worth in 2024) and using a discount rate of 3.5% (which is consistent with the social time preference rate described in The Green Book (2022) from HM Treasury on the discount rate to apply when comparing costs and benefits over different periods of time on a consistent basis).
[1645] See our financial and profitability analysis in part A, section 7: Market outcomes.
[1646] [✂].
[1647] Part A, section 7: Market outcomes
[1648] The higher estimate (£160 million) is based on acquisition effect on prices four years after an acquisition. The lower estimate (£130 million) is based on the average effect on prices over all years after an acquisition in our dataset

years this would result in around £600 million to £700 million of additional customer expenditure at these three LVGs (discounting additional customer expenditure in the future to express our 5 year estimates in present value terms).[1649]

16.47 While part of this additional customer expenditure may reflect improvements in quality and the associated higher costs of [✂], [✂] and [✂] FOPs, a significant part of it is due, in our provisional view, to lack of effective competition.[1650] These estimates of additional customer expenditure therefore also give an indication of the overall magnitude of customer detriment but, again, not an exact estimate of it.

16.48 Our wider analysis of acquisition effects indicated that there were acquisition effects on average price for three of the largest categories of services. The estimated effects four years after an acquisition were: 10.4% for drugs; 9.9% for consultations and 4.4% for diagnostics. This analysis indicates that higher prices of drugs and consultations may be particularly significant sources of customer detriment.

16.49 Our estimates of additional customer expenditure do not capture price increases across the whole market due to a lack of effective competition. Given the large size of the market for FOP services (likely to be over £5 billion in revenues), even small effects on prices across the market are likely to result in significant overall customer expenditure. In our provisional view, our estimates of additional customer expenditure, limited to three LVGs, are likely to understate the overall scale of customer detriment across the market due to lack of effective competition.

Provisional conclusion on customer detriment

16.50 Our provisional conclusion is that customer detriment arising from the AECs we have identified is likely to be high. The evidence that supports this provisional conclusion includes indicative estimates of the measurable part of the detriment.

(averaging the effect over all years after an acquisition, not just the effect in the fourth year). We applied the acquisition effect at each LVG for which we identified an effect to the 'local clinics' revenue for that LVG.

[1649] To estimate the impact of this higher annual spend over 5 years we discounted future customer expenditure to express it in present value terms (that is, how much money is worth in 2024) using a discount rate of 3.5%. This provides a comparable estimate to our estimate of economic profits over 5 years (also expressed in the same present value terms).

[1650] We note that the LVGs have not provided persuasive evidence that link price increases to improvements in quality, despite multiple opportunities to do so. Part A, section 7: Market outcomes.