

CMA Provisional Decision Report

Part A – Provisional Findings

The CMA found adverse effects on competition in 5 key areas:

1. Lack of Price Transparency

This is multifactorial and probably has far less to do with any anticompetitive business practises than the CMA thinks. This isn't a commodities market, but a professional services market played out in the complex arena of health care in which the players (vets) have to juggle different approaches to veterinary care whilst always mindful of costs to pet owners.

This contrasts with (for example) the NHS in which there are standard protocols that are followed. Any veterinary protocols and treatment / diagnostic pathways are nuanced by the context in which they arise.

Price lists are blunt instruments and only carry a small amount of information. How prices are constructed and how fees are applied to any individual case are where differences may lie, but these factors are impossible to compare from simple price lists.

2. Corporate Ownership and Vertical Integration

Vets and nurses enter the profession through a vocational drive – they have the interests of all stakeholders of a practice at heart because they understand that this is the best way to ensure that they can deliver appropriate care to the animals placed under their care. When all practices were owned by the vets who worked in them, the drive for exploiting profitability was kept in check by the vocational (stakeholder-focus) of the business owners (the vets themselves!).

With corporate acquisition and consolidation, whilst the vocational ethos of staff and practice sites may remain, there is a third-party claim on generating profits to cover the (significantly increased) costs of capital invested and to deliver a financial return to the (third-party) shareholders.

This is evident in the CMA's finding that prices in LVGs were 16.6% higher, on average, than independent practice. I would argue that by using data from insurance claims, the process that the CMA followed was flawed. When an animal is insured all vets will feel a release of pressure that there is a reduced need to have to modify a proposed investigation / treatment plan to fit in with the financial constraints of a pet owner. A much more telling comparison would have been sampling real data of clinical cases that weren't insured and what steps vets take to ameliorate costs through contextualising the approach to treatment. Vertical integration compounds this.

Consequently, the difference between independent and LVGs will be less pronounced for insured cases than uninsured pets. The fact that there is still a 16.6% average difference is astonishing.

From the paper on profitability, the CMA expected a return on capital employed to be approximately 9%. In the independent sector this was very variable, with some as low as -9% (reflecting the diverse nature of independent practices and the communities they serve) but averaged 11%; the LVGs had a much closer range of 13-15%, averaging 14%. This return of 14% on capital invested is 27% higher than the 11% average delivered to independent practices.

Furthermore, if 9% is expected, then at 11%, independent practices average 22% above the expected value and LVGs average 56% above expected value. Indeed, the 5% additional return is 2.5x the 2% additional return achieved by independent practices in the period assessed.

The CMA presents no evidence that the additional profitability of LVGs is used to invest in improved services for pet owners. Nor does it find any justification for the massively increased capital invested by LVGs other than simply to generate a financial return on that investment. There is also no discussion about understanding the fragility of the independent sector and why some practices deliver such a poor return on investment. It seems reckless to impose remedies on a profession which will incur significant costs to businesses when many businesses will be financially compromised beyond viability. This will not serve the public interest in those parts of the country affected.

Despite the CMA finding a harm through the result of acquisition and consolidation, the CMA does not appear to suggest that this has impacted competition. Indeed, the CMA has not found a lack of competition in any local market. However, it has not commented on markets where all the competition may be LVG FOPs with no independent presence. In such a local market, through a postcode lottery, pet owners will find themselves with choice of several LVG-owned practices all of which are more expensive than the independent practices which predated their acquisition.

Furthermore, none of the proposed remedies seeks to address this aspect:

- No LVG businesses have been forced to divest practices to open up the market
- No LVG businesses are subject to profitability caps
- No LVGs are forced to divest any of their vertically integrated assets (pharmacies, crematoria, referral hubs, laboratories)

Indeed, some of the remedies actually have the effect of pushing more work away from independent practices into revenue streams for the LVGs (changes in prescribing and mandatory written prescriptions, for example).

In short, if you are a pet owner in a town where all the practices are owned by LVGs, albeit different LVGs, whilst there is competition between providers, there is no competition between the type of business providing the service and you are likely to be paying more for veterinary services simply due to a postcode lottery.

The potentials for savings through economies of scale available to the LVGs are not being passed onto pet owners. In the discussion around efficiencies (essentially economies of scale for LVGs), paragraph 4.60 states that CVS suggest that acquisition creates the need to operate in an efficient manner which are enhanced in a corporate structure, including “the provision of OOH and specialist services”. If this is the case there should be evidence that these services are charged at lower prices by LVGs because they have an economy of scale. Instead, they are charged at a premium.

IVC echoes this in paragraph 4.64 – “one of the benefits of corporatisation in the vets sector was to increase efficiency”, and “these aspects both improved clinical outcomes and reduced costs”. Also 4.66 “In terms of internal performance monitoring, IVC told us it used a Balanced Scorecard, which looked at clinical, client, people and financial KPIs, with some of the measures cost focussed, giving an indication of efficiency”. Again we would expect to see lower prices charged by LVGs, not higher.

The CMA confirms this in its assessment – paragraph 4.76 (b). However, we know that prices tend to be higher in LVGs (16.6%) and this is used to fuel the 27% increase in return on capital.

In the world of grocery shopping, consumers expect small independent corner shops to be more expensive than large supermarkets. They recognise that large supermarket chains have economies of scale that enable them to charge less for the same item than a corner shop. However, consumers may still choose to support a local independent business because they place a value on its service.

Perversely in the veterinary profession it is the small independent practices that are delivering lower prices despite the economies of scale available to the LVGs. In a topsy-turvy world like this, the normal rules of competition are not behaving.

None of the remedies seeks, in any way, to target the LVGs differently from independent practices, yet the cost of any remedies will be disproportionately higher for smaller independents than for big groups. This will simply exacerbate the current situation and harm pet owners financially. In doing so there is a risk to animal health and welfare.

3. Medicines and Prescriptions

The CMA has found that internet pharmacies are cheaper than bricks and mortar practices. However, they attribute this to a lack of awareness around competition rather than acknowledging that in order to be able to deliver an holistic service to pet owners at an affordable price, there is a degree of cross-subsidising services using margin made on medicine sales.

It is this complex arrangement that supports many mixed species and rural practices, those practices which still deliver a 24/7 service, and helps to remove barriers to accessing veterinary care.

Perversely, by driving all medicine sales to the internet the CMA is actively suppressing competition because it may remove the ability of many smaller practices to be able to compete. Most buying groups deliver average rebates in the region of 30-40% - some 30-40% less than the best performing LVGs. Medicines sold by the LVGs through internet pharmacies are priced with such a low margin that, even with a 30-40% average rebate, they are cheaper on line than through the wholesaler to the practice.

4. Limited Consumer Choice and Switching

The CMA expects to see consumers switching providers, driven by price, because it is used to commodities markets in which there is free consumer choice (provision of electricity supplier, mobile phones etc). The veterinary profession does not neatly fit into this model.

However, its own research showed that clients did not want to shop around, but preferred to stay with the same vet in the same practice and just wanted a fair price for the work. If the CMA remedies do introduce consumer switching then it will almost certainly be at the expense of animal health and welfare (delays such as may arise pursuing second opinions, clinical records no longer all in one place etc) and lead to increased overall costs. In short, what the CMA wants to see will actually be a sign that the profession isn't working well.

5. Regulatory Gaps

Regulation needs to exist at a threefold level:

- i. Regulation of professionals
This is the business as normal stuff but improved if we can get a new VSA that enables a licence to practise system. NB given that the CMA has found that pet owners trust their vets and the CMA is not apportioning blame on veterinary professionals, this is evidence for where the RCVS in its Royal College that Regulates structure, is working well despite only having limited scope due to an out-of-date VSA.
- ii. Regulation of Practices
If the first point was around those who deliver the work, this is about the environment in which it is delivered so that consumer confidence can be enhanced. A mandatory practice regulation scheme (developed from the framework of the existing PSS) can solve this.
- iii. Regulation of Veterinary Businesses
It is the companies themselves who own practices, employ professionals, and make a profit from those services. This is an entirely new area of regulation and, in order to satisfy the CMA, would have to show that profitability was maintained within a healthy level that is not exploitative.

It is worth considering further other reasons for why prices have risen in recent years:

1. The working practises and employment practises of vets.

The veterinary profession has long been recognised as one in which its members work long, tiring, intense, and often antisocial hours. It also has a history of poor mental health and low professional salaries.

A long overdue correction of this has occurred in recent years in which most vets

- Work fewer hours
- Spend longer in each consultation
- Have more working time allocated to the non-fee-earning parts of the job

The result is that, for any vet practice (LVG or independent) the number of client-contact, fee-earning hours for each vet is reduced. This increases the cost of employment through the need to employ more vets to deal with the same volume of work. Add in a recent correction in veterinary salaries and there will have been a marked increase in employment costs for any business – and therefore a need to raise fees charged to pet owners.

It will seem that prices have risen well ahead of inflation, but part of this is simple correction of out-of-date working practises.

2. Competition Working Too Well

There have been many advances in care that can be delivered to animals and things that once seemed fanciful are now commonplace. Where there is active competition there is a need to keep up with the service offering of competitor practices. If one practice in a town invests in a CT scanner, for example, the others follow suit because

- Vets working in the practice expect it
- There is a risk of losing clients to competitors

Consequently, in a highly competitive market prices may be driven upwards for all practices through new technological advances.

Part B – Remedies

A. Pet Owner Empowerment Remedies

I am broadly supportive of the principal of many of these remedies but suggest areas where they may be improved.

Remedy 1 – Require businesses providing veterinary services and online pharmacies to publish information on ownership

1. This is, obviously, a good thing. The CMA have clearly stated that LVGs are, on average, more expensive, so pet owners need to be in no doubt about who owns the practice they visit.
2. However, does this remedy go far enough? Practices owned by LVGs will be allowed to retain their names and listed as “part of X group” etc. This is euphemistic language which still veils transparency. A much more powerful message would be delivered if a practice had to state “owned and controlled by CVS/IVC/Linnaeus etc”
The CMA includes in its remedies paper “Clearly indicate that each veterinary business is under common **ownership or control**, and whose **ownership or control** that is.” (table in point 3.9 paper B). The wording in paragraph 3.26 is not strong enough for this remedy to be effective.
The language used in signage must not be couched in any form and must include the words “owned and controlled by” for this remedy to be effective.
3. With regards to IVC, will the CMA actually do anything about their name? Independent Vet Care is massively misleading! There is a clear conflict with transparency whilst ever they retain use of the term “independent”.

Remedy 2a - Require FOPs and referral centres to publish basic service information

1. Generally, I approve of this remedy. It is vital that pet owners are aware of the total package of care they can expect from the FOP with which they choose to register their pet.
2. However, with regards to OOH, if the FOP outsources its OOH care to a third-party, this must be made explicit. Many independent practices who still do their own OOH work charge this at normal rates with a single one-off surcharge. Third-party providers, however, have their own fee structures that are often significantly more expensive for all work than would be charged during the day. This is essential because pet owners have to be aware that when they are choosing their FOP they need to consider what happens OOH. There isn't a separate market OOH – clients do not choose where to go at that point of need, they go to wherever their FOP directs them.

Remedy 2b - Require all FOPs, referral centres and crematoria to publish a standard price list for a defined selection of services

1. I can understand why, but am concerned that this may simply lead to loss-leaders obscuring hidden expensive costs
2. With regards to OOH – there must be more than just the OOH consult as many OOH providers charge different fee schedules, which are often significantly more expensive than the FOP

Remedy 2c - Require FOPs to publish prices for all preferred parasiticides

1. I am somewhat concerned about this because these are POM-V products
2. As such they should be prescribed as appropriate, not shopped for by pet owners by brand
3. Does this contravene VMD regulations?

4. How is “preferred product” defined? If a practice enables a wide choice of product does it need to comply with this remedy? Can it comply?

Remedy 2d - Require FOPs to publish information about pet care plans

1. I have no objections in principle. My practice has several different plans from which clients may select so as best suited to their needs. Furthermore we allow clients to change from one plan to another without any penalty if their circumstances change
2. However, it will be virtually impossible to include all the nuances of these in any comparison site

Remedy 3 - Require FOPs and referral centres to submit information to the RCVS for the RCVS to publish on an enhanced Find a Vet platform and share to selected third parties

1. This is a sensible idea in principle. Pet owners need to be able to choose the most appropriate practice with which to register their pet according to their anticipated needs and make an informed decision in this matter.
2. However, does this really need a complex (costly) database when, in reality, any pet owner will only really need to choose between 2 or 3 local practices? It would be a much more effective remedy if it was explicitly aimed at ensuring clarity of service-provision on practices’ websites. Many practices choose to obfuscate areas where they may be deficient (such as not providing their own OOH service).
3. There is an implied expectation that the RCVS will have to provide this data to other third-parties. Who is going to pay? Practices through a levy, or will the RCVS be able to monetise any data accessed by third-parties and therefore offset the burden placed on practices?
4. Pet care plan calculator could be prone to inconsistency if it doesn’t interpret the nuances of plans correctly

Remedy 4 - Require the RCVS to commission and publish the results of a group-level pet owner survey

1. I question the value of this remedy
2. This will be costly and almost instantly out of date
3. As an independent practice I am just that – independent. Why should I be considered on an average basis with other practices that are different from me?

B. Choice of Treatments, Referrals and Diagnostics

Remedy 5a - Written estimates for higher cost treatment options

1. I would have thought that this is already happening
2. It is more important for vets to be encouraged to be open about the ongoing ramifications of certain clinical decisions. For example, if a test is performed to differentiate between two possible diagnoses, will the result actually make a difference to a) the cost, and b) what a pet owner is prepared to do?

Remedy 5b - Itemised billing

1. I would have thought that this is already happening
2. Data is entered into the practice management system (PMS) in an itemised way and this invoice is therefore immediately available to pet owners.

Remedy 6 - ensuring vets and vet nurses can offer a range of treatment options

1. This should already be in place under the existing RCVS Code
2. If it isn't, then it is important that individual veterinary surgeons address this with their employers, using either the BVA or the BVU for support

C. Medicine Market Opening Remedies

NB I still maintain that this is based on a false premise that pet owners would “gain significant financial benefits from buying their medicines online”, and “There is substantial consumer detriment arising from pet owners paying significantly more for medicines than is necessary.”

Veterinary practices derive income from selling their time (clinical expertise) and the products used to treat animals (medicines mostly). A margin is made on the sale of medicines, but this is used to cover the costs of prescribing the medicines and cross-subsidising other services (such as consultation fees and OOH charges) in order to help reduce the barriers to accessing vet care.

I appreciate that, in the interests of clarity, the CMA does not like the concept of cross-subsidisation. However, without it there will be a raised barrier. Furthermore, practices have to balance their books and a reduced margin on medicine sales will necessitate an increased charge for professional time. The net effect will not be a saving for pet owners.

Remedy 7 - Information measures to increase awareness of online pharmacies and the amount that can be saved by using an online pharmacy rather than purchasing from the FOP

1. I support transparency and signage in practice.
2. I do not support adding text to the end of an SMS message. The additional 114 characters required would double the cost of all messages we send.
3. However, I do have an issue with this remedy. Perceived savings may only be made by using an online pharmacy for two reasons:
 - Pet owners are comparing the price of a dispensed medicine (online pharmacy) with the combined cost of a dispensed medicine with its prescription (bricks and mortar practice). It isn't apples with apples.
 - The CMA considers medicine margins as profit and there is no recognition that they are used to reduce fees elsewhere
4. Practices will need to decide how to alter their pricing strategies
5. It may be that practices choose to match internet prices for all medicines and simply recoup costs elsewhere. If so, will this remedy still apply because prices would not be cheaper elsewhere.
6. It is disappointing that the CMA has not acknowledged the cross-subsidy derived from medicine sales
7. Individual practices will lose an income stream or see it heavily reduced. They will face two choices: raise prices elsewhere or make lower profits. I can't see LVGs reducing profits (shareholder primacy) and independents make lower profits than LVGs so will be forced to raise prices.
8. There will be no net benefit to consumers
9. I have no issue with signage to alert pet owners to the ability to fulfil a prescription from an alternate supplier but take issue with the statement that pet owners will save money by doing so.

Remedy 8 - Measures to reduce barriers to pet owners purchasing online

1. I am in favour of transparency, but I have significant misgivings about this remedy.
2. The requirement to issue a written prescription at the time of the consultation will present significant challenges for all FOPs.
 - The current process in a consulting room is:
 - Vet examines an animal and arrives at a working diagnosis (the “consultation” and invoiced as the consultation fee)
 - Vet uses knowledge of the pharmacopoeia, in the context of adverse reactions, contra-indications, comorbidities, etc to decide on the best medicine for that condition in that animal, the dose required, the duration of treatment and the volume necessary to be dispensed (the “prescription” – not currently invoiced, but covered by margin made on the sale of medicines)
 - Vet sells this course of medication through the practice management system (PMS)
 - Labels are printed and the medicine is dispensed to the client
 - The issue here is that whilst the vet has made a prescription (everything in the second bullet point above), that prescription has, in effect, been made verbally to themselves, not written in the PMS.
 - PMS are currently set up to “sell” medicines based on vets’ own verbal prescriptions to themselves
 - There will be some animals which require ongoing medication for which dispensing further on a prescription is appropriate. In these instances the vet will
 - Make a note in the clinical records of the working diagnosis and the medication that has been prescribed
 - Record dose, volume, instructions to client, length of time for which the prescription is valid
 - This will enable another vet (or SQP) from the same practice to be able to dispense further medication from the practice based on this written prescription
 - There will be times when a client wishes to obtain the medication from elsewhere. (“written prescription”). The CMA are under the impression that this is simply a case of the vet pressing a button to generate the written script from the PMS, check it to ensure accuracy, sign it, and give to the client. Unfortunately, the information required for that script is embedded in clinical notes, not in a format that is easily printable. The following process then takes place:
 - Vet accesses clinical records
 - Vet checks the details and that there is an open prescription, then transcribes the information into a separate software
 - Vet prints, checks, signs and gives to the client
 - The requirement from the CMA is for vets to adopt a different process from the one they have used for 30+ years:
 - When a medicine is required this will have to be entered into the PMS as an actual prescription
 - The PMS will need to be configured to enable this
 - The PMS will also have to be configured in such a way that if the client chooses to take a written prescription it is printed at the touch of a button

- The PMS will also need to be configured in such a way that if the client chooses to buy the medicines from the practice then pressing a different button generates a sale and prints labels instead

At the moment, some PMS don't enable any of this, some will have a function for entering prescriptions such that they can be printed, but none have the final piece and it would require double entry: prescription and sale of medicines, which incurs additional administration time (and cost).

The ability to satisfy this remedy without incurring additional admin time is reliant on PMS providers. In the absence of IT development there will be significant additional admin time for vets. The proposed £16 (inc VAT) really doesn't cover the additional time involved, especially if there are multiple medicines required. It is considerably lower than the cost of obtaining a private prescription through the NHS.

3. Prescription fraud is real and commonplace.

The main issue for this is that, unlike human GP surgeries, any written prescription is generated on A4 paper from a standard printer. When given to a client it can be forged or presented to multiple different pharmacies.

The solution to this would be bespoke prescription printers such as are used by human GPs. Unfortunately, this would rely on the ability of PMS providers to enable the process.

4. Sending the prescription electronically to the pet owner is even worse because they could have it fulfilled at multiple different pharmacies and therefore circumvent any restrictions on volumes. Any electronic prescription should only ever be sent directly to a nominated pharmacy.

5. If the CMA is insistent on a version of this remedy then the best approach would be to ensure that the original written script is received by the pharmacy before they dispense any medication. Otherwise it opens the door to abuse!

6. Until PMS are set up to cope with this remedy it will create significant admin burdens for practices and vets. Consultations will take longer, fees will increase, pet owners will pay a higher price.

Remedy 9 - Own brand medication

1. We don't sell any own brand product
2. I support this remedy. LVGs currently use white-label POM-V medicines to obfuscate the cost

Remedy 10 - Choice of default for repeat prescriptions

1. This seems unnecessarily bureaucratic
2. It will increase admin burden and therefore the overall cost of care. Costs will be disproportionately higher for smaller practices
3. Adding text into, for example text messages, will increase the size of the message and incur cost
4. Is it fair, not only to inform a pet owner that they could buy cheaper elsewhere, but to have to pay to tell them?
5. If transparency is achieved through signage etc this is an unnecessary and costly remedy

D. Medicines: prescription price controls and medicines price controls

Remedy 11 - Prescription price cap

1. I appreciate why there is a need for a cap, but feel that the proposal is too low for the work involved
2. It would be an appropriate charge for administrative costs only when PMS were set up in a different way and could automatically either dispense medication or write a script based on the vet's prescription. However, this is out of our hands and likely to take significant time.
3. It does not, however, cover the actual cost of prescribing, just the future administration costs of transcribing this into written format.
4. It is unfair that it is one fee irrespective of the number of medicines
5. CMA still don't understand the difference between the act of prescribing and the act of dispensing (not helped by poor awareness in the profession)
6. How will online pharmacies fulfil the necessary duty of dispensing – to ensure that the person administering the medication understands how to use it, handle it, store it, and get it in the animal? – Wholesale movement to online pharmacies creates an issue for animal welfare here.

E. Out of Hours Contracts

Remedy 12 - Requirement not to use for new (or enforce for existing) out-of-hours contracts notice periods which are longer than 12 months, with no payments required unless a FOP stops using the services before the notice period expires

1. This won't affect my practice because we do our own OOH,
2. Is it still too long? The notice period for staff is unlikely to be >3 months, so would a six-month notice for the contract be a better compromise?

F. Cremations

Remedy 13 - Transparency on the options and fees for cremations and ensuring that all pet owners have the option of a communal cremation

1. We do most of this already
2. Clarity is needed around the 2-day thinking time. Would it be acceptable for the body to be collected by the crematorium and stored there? Practices will struggle to store bodies for 48 hours as a matter of course and it is likely to push up prices
3. Most pet owners would be horrified at the thought that a delay was introduced into the process
4. If a pet owner is uncertain what to do we currently try to hold a deceased pet pending their decision where possible, but we have set collection days and when a large (50Kg+) dog is PTS it can exceed freezer capacity on site
5. This remedy ought to be applied to crematoria, not practices

G. Complaints and Redress

Apparently, there is limited provision for effective complaint handling and this adversely affects competition – though I am not entirely sure how!

Remedy 14 - Require all veterinary businesses operating FOPs to publish and provide to pet owners an in-house complaints system for each of its FOPs which meets certain minimum criteria.

1. We are mostly doing this already with the exception of submitting a log to the regulator
2. We regularly audit our complaints to look for trends solutions to improve service
3. How does the CMA suggest that the regulator can prevent abuse of a system that empowers troublemakers?
4. I sense that an empowered group of consumers will swamp the VCMS with complaints based on what they have been charged. The better way forward would be for the VCMS only to get involved after all bills from a practice have been settled.

Remedy 15 - Require all veterinary businesses operating FOPs to participate in mediation

1. I have no objection to getting involved in mediation and am generally supportive of this remedy
2. However, this should be with regard to clinical service, not the cost of treatment, which should be dealt with elsewhere
3. I am concerned that the VCMA will be abused simply as a means of avoiding paying for treatment costs and the real potential that the service could become swamped.
4. This remedy would be improved if clients were required to settle their invoice with the practice before engaging with the VCMS

Remedy 16a - Seek an undertaking from the RCVS (or a requirement by CMA Order for it) to develop a decision tree of pet owners' routes to redress

1. I would have thought that a likely decision tree already exists for most practices

Remedy 16b - Seek an undertaking from the RCVS (or a requirement by CMA Order for it) to collect, analyse and publish on an annual basis data and insights on complaints

1. It is, obviously, important to learn from mistakes
2. Learning from mistakes is a key part of making changes for continuous improvement
3. The body most appropriate for setting the professionals up to succeed in this respect is the RCVS. It is therefore mandatory that the RCVS remains the regulator so that its work with upstream regulation of professionals will deliver returns to the public.

H. Recommendations for future regulatory reform

Remedy 17 - A recommendation to the UK government, in consultation with the Scottish Government, Welsh Government and Northern Ireland Executive as appropriate, to establish a replacement statutory regime for the regulation of veterinary services for household pets, which should include the following

1. I support regulatory reform. However:
 - The area that the CMA has explicitly found not to be at fault is the veterinary professionals themselves
 - These are already regulated and this is, therefore, evidence that the RCVS is doing a good job as the regulator (upstream regulation activities are helping to support a profession whose values

are rooted in stakeholder culture, as they navigate a new world working in businesses forged on shareholder value).

- There are ways of improving this regulation but they rely on a new VSA, NOT a new structure of the College
- The areas found to be at fault are the result of the College not having powers of regulation over practices and businesses owning practices.
- Consequently, what is required is not a wholesale dismantling of the existing structure (Royal College that Regulates), but new legislation (VSA) to enable the RCVS to regulate those parts of the profession that currently lie out with its remit.

Time taken for Implementation

Remedies 1-6, and 12-16 are relatively easy for independent practices to implement, but they will incur costs to instigate and to maintain

Remedy 17 is for the RCVS

Remedies 7 to 11 will incur significant implementation costs (radical reworking of charging structures) and ongoing maintenance costs (the cost of the inevitable reduction in efficiency due to imposed bureaucracy).

Summary

There is a mix of sensible remedies for which I am broadly supportive (though have suggested tweaks where, in my opinion they may be improved); some remedies that seem out of place; and remedies with significant unintended consequences (especially 7-11). The overall costs of implementing and maintain the necessary administrative bureaucracy (and potential loss of revenue streams) will be disproportionately higher for smaller independent practices and this is disappointing when the CMA has made such a significant point about the harms caused by LVG acquisition and consolidation.

Whilst the LVGs have had a public naming and shaming, today's news is tomorrow's chip paper and they will feel they have come out of the process relatively unscathed.

I am a partner in an independent practice

- My profitability is no more than the 9% expected by the CMA
- My prices are considerably lower than all my (many) LVG competitors
- We offer a full 24/7/365 service at our own premises using our own vets charged at normal daytime fees (with the exception of a one-off OOH surcharge)
- We have used our growth to improve services for pet owners, such as opening from 7.30am, routine appointments at no extra cost 7 days a week, vets with advanced qualifications and skills
- We have a range of health plans with options to suit the needs of individual pet owners, with no penalty for switching plans
- We regularly monitor complaints and use these (together with adverse events) to foster a culture of learning and improvement
- We have (and have had for many years) prices on our website
- We are members of the RCVS PSS

- Because we are owned by MRCVS our business practices are already, in effect, regulated because the people creating those practices are regulated professionals

In short, we are doing everything the CMA would want us to do to be a “model” veterinary practice, with the exception of using the marginal return on the sale of medicines to cross-subsidise other fees such that we lower the barrier to accessing veterinary care in the way we know (as professionals) works best for the pet owners in our local community.

And yet, despite this, we will have to put in place time-consuming (and therefore costly) bureaucratic processes and radically change our fee structure to account for lost medicines revenue.

We will be unfairly penalised for problems in the profession created by others who, we feel, will be let off lightly for the harm done. Furthermore, we will be forced to pass on any increases in costs to our clients – the very pet owners the CMA is trying to protect and who have chosen to use our practice over the multitude of LVG competitors because of our transparency and the way in which we work.