

Subject: Submission to the CMA's Investigation into the Veterinary Services Market

14th November 2025

1. Introduction

Thank you for the opportunity to respond to your provisional findings and proposed remedies following the veterinary sector review. While we support efforts to improve transparency and client confidence, we are deeply concerned that several of the proposed changes—particularly those affecting prescription practices—will have unintended and disproportionate consequences for independent practices, ultimately increasing costs for clients.

Despite the CMA's stated aim to assess competition and consumer choice, there appears to have been insufficient investigation into the extent and implications of corporate consolidation. Large corporate groups now own a majority of UK veterinary practices, as well as a significant share of online pharmacies, diagnostic laboratories, and pet crematoria. This vertical integration leaves independent practices with few viable alternatives and forces engagement with these same corporations for essential services. As a result, they are able to set prices that distort the cost base across the industry, undermining fair competition and threatening the long-term sustainability of independent providers.

2. Background on Our Practice

I am a non-clinical veterinary practice owner with over two decades of experience. Our practice has grown organically and ethically, investing in skills, equipment, and facilities to deliver high-quality, compassionate care. We are a small team, deeply embedded in our local community.

Our ethos is rooted in transparency, fairness, and accessibility. We have deliberately kept our pricing affordable to ensure continuity of care for all clients. However, these values require financial sustainability, and any reduction in revenue—particularly from pharmaceutical sales—has a direct and immediate impact on our viability.

3. Purchasing Power and Rebate Disparities

Unlike corporate groups, we do not benefit from centralised procurement or economies of scale. Our purchasing power is significantly lower, and this is reflected in the rebates and discounts we receive. We have taken proactive steps to address this imbalance, most notably by co-founding an independent veterinary purchasing group, but we remain disadvantaged.

Despite repeated calls for transparency, there has been no regulatory action requiring drug manufacturers or buying groups to disclose the scale of rebates offered to corporates. Nor has there been scrutiny of the markups applied by vertically integrated businesses before medicines reach the end consumer. Our practice operates with an average markup of 65%, yet we remain uncompetitive with online pharmacies—many of which are owned by the same corporate groups benefiting from preferential wholesale pricing.

If independent practices were granted access to equivalent pricing, we could offer more affordable medications, supporting continuity of care and a more equitable marketplace. Any reduction in our purchasing, particularly as a result of enforced diversity in dispensing, will likely diminish these rebates further, placing additional financial strain on small, community-based providers.

We include a response submitted by our purchasing group (Appendix A), which clearly identifies the unintended consequences of the proposed remedies—namely, driving yet more business into the hands of corporates. This dual ownership structure raises serious concerns about market dominance and the long-term viability of smaller independent practices.

4. Post-COVID Financial Distortion

It should be noted that the financial data reviewed as part of this process reflects a distorted post-COVID period. Turnover and profitability were temporarily elevated due to a backlog of cases, government grants, and furlough schemes. These factors do not represent the current financial reality for independent practices.

5. Transparency and Market Dynamics

We support the CMA's call for greater transparency across the sector. However, there remains a distinct lack of visibility around the rebates offered to large veterinary groups, their ownership structures, and affiliated interests in online pharmacies, wholesalers, and ancillary services. This obscures the true dynamics of competition and pricing. We respectfully request that transparency be applied consistently across all tiers of the sector, not just at the client-facing level.

6. Rising Operational Costs

Over the past 18 months, we have seen sustained increases in both fixed and variable costs—from medications and consumables to utilities and team salaries. To remain viable, we have already had to increase our fees. Any further loss of revenue from pharmaceutical sales will compound this pressure and inadvertently increase the overall cost of care for clients.

7. Prescription Time and Cost Implications

We are concerned about the time and resource implications of the proposed changes to written prescriptions. Our internal review estimates that each prescription takes 10–12 minutes to complete. The suggested price cap does not reflect the true cost incurred, nor the lost opportunity revenue from appointments that cannot be booked while vets are occupied with administrative tasks.

Currently, we charge a modest fee per prescription item, with discounts for plan members. The proposal to combine multiple items under a single fee is unwarranted and does not reflect the time required to review each medication and complete the necessary paperwork. There is no secure online method for generating prescriptions, meaning physical printing, signing, and scanning are still required—adding further administrative burden.

We are also concerned about the practical implications, as many clients source medications from different pharmacies. Combined scripts raise logistical challenges that have not yet been addressed.

8. Closing Remarks

We urge the CMA to consider the cumulative impact of these changes. A one-size-fits-all approach risks undermining the diversity and accessibility of veterinary care across the UK. We would welcome the opportunity to contribute further to this consultation and share data illustrating the financial pressures faced by independent practices.

Veterinary Independent Purchasing Group's Submission to the CMA's investigation into the Veterinary Services Market

1. Executive Summary

Our Veterinary Independent Purchasing Group (VIPG) supports the CMA's goal of improving transparency and consumer choice. However, the combined remedies—mandatory prescriptions and capped prescription fees—risk accelerating consolidation in the supply of veterinary medicines while leaving a deeper structural distortion untouched: the unequal manufacturer rebate terms granted to large veterinary groups (LVGs).

Evidence from our member practices & other practice owners across the profession indicates that LVGs routinely receive much larger rebates—reportedly up to 66% off list price across the board—whereas independent practices typically achieve a fraction of that. This disparity means LVGs can sell medicines online for less than independents can buy them, even before accounting for VAT and logistics costs. This, as a personal experience, is the very reason we set up the VIPG in the first place.

Mandatory prescription issuance would therefore divert more volume toward those vertically integrated groups that already enjoy significant purchasing advantages. Rather than fostering competition, it risks entrenching the current oligopoly further.

VIPG was founded with the specific aim of redressing this imbalance and create a level playing field for independent veterinary practices. We have made meaningful progress, but we remain a long way from true parity in net pricing.

2. About VIPG

The Veterinary Independent Purchasing Group (VIPG) currently represents 28 independent veterinary practices across the UK, with a combined annual pharmaceutical spend of £12–14 million and manufacturer rebates totalling around £3.2 million per annum.

VIPG's model is unique: we pass through 100% of manufacturer rebates to our members (minus a small flat management fee). This transparency contrasts with the opaque rebate structures enjoyed by the LVGs, where manufacturer discounts are consolidated centrally and rarely visible to the profession.

Our mission is to rebalance market access, ensuring independents can compete on equitable commercial terms with corporate groups. Despite clear momentum, the scale of the rebate differential means independents remain structurally disadvantaged.

3. Risk of Unintended Consequences

While facilitating consumer choice is important, mandatory prescription provision—without correcting rebate asymmetry—will deepen existing inequities:

- Vertical Integration & Price Advantage: LVGs own the majority of large online pharmacies (CVS → Animed Direct; IVC Evidensia → Pet Drugs Online; VetPartners → VetUK / 365Vet). Their online outlets can retail medicines at or below the wholesale acquisition cost faced by independents, because of the much deeper manufacturer rebates they receive.
- Market Concentration: LVGs already control more than 60% of UK practices. Driving prescription volumes toward their own e-commerce channels strengthens this concentration.
- Waterbed Effects: Capping prescription fees removes one of the few legitimate income streams remaining to independents, forcing them to raise prices elsewhere or reduce service levels, whilst for the LVG’s, **the opposite would be true**. Whilst Independent Practices would need to increase service fees to make up the shortfall in lost medicines sales revenue, LVG’s would not have to do so & those vertically integrated LVG’s with an online pharmacy presence could effectively reduce their service fees, further compounding the situation for independents.
- Local Impact: Rural and small practices rely on medicine margins to sustain 24-hour care, emergency cover, and staff retention. Reducing those margins without addressing rebate inequality undermines community veterinary provision.
- Viability of Independent Veterinary Practices: Losing medicine sales, which constitute between 25% & 40% of a practice’s turnover & given that independent practices’ net profitability range is between 10 & 22% on average, we refute your claim (Vet Times 3.11.25 – “CMA rejects vet practice closures claim as prescription fears also spread”) that independent practices may be forced to close due to becoming non-viable.

4. Evidence and Market Observation

Analysis of 2025 data compiled by VIPG from Companies House filings and VMD-registered retailer lists confirms that the majority of UK online veterinary-medicine sales are channelled through platforms owned by the large veterinary groups (LVGs).

Online Pharmacy	Parent Company	Estimated Market Share
Animed Direct	CVS Group plc	██████████
Pet Drugs Online	IVC Evidensia	██████████

VetUK / 365Vet	VetPartners Ltd	[REDACTED]
Pet Prescription (Vetscriptions)	IVC Evidensia	[REDACTED]
Subtotal LVG-owned		[REDACTED]
VioVet	Pinnacle Pet Group	[REDACTED]
Pharmacy4Pets	MHRX Ltd	[REDACTED]
The PharmPet Co.	Pharmacy2U Ltd	[REDACTED]
VetDispense / Direct4Pet	Independent	[REDACTED]

In total, LVG-owned online pharmacies now account for roughly two-thirds of UK online veterinary-medicine sales.

Our members routinely observe that these LVG platforms retail products at or below the wholesale acquisition cost available to independent practices, reflecting the far deeper manufacturer rebates they receive—reportedly as high as 66% off list price across the board, with some “big ticket” lines obviously receiving far greater rebates than that average. By contrast, independents typically achieve rebates of only 20–25 %, leaving them unable to match those retail prices even before VAT or handling costs.

This evidence demonstrates that the problem extends beyond consumer access to prescriptions: the underlying pricing asymmetry created by rebate concentration is already distorting market competition. VIPG therefore invites the CMA to obtain rebate data directly from manufacturers and LVGs and to take a deeper look into this & to quantify these disparities.

5. Legal and Economic Assessment

Under the Enterprise Act 2002, any remedy must meet the tests of effectiveness, proportionality, and avoidance of unintended consequences.

The current prescription-plus-fee-cap proposal fails those tests because it:

- Does not address the root cause of price disparity (manufacturer rebate concentration);
- Risks distorting competition further by advantaging vertically integrated LVGs with cheaper supply;
- Is more restrictive than necessary to achieve the stated consumer-choice objective.

Without concurrent action on wholesale rebate transparency, the remedy risks legitimising an already skewed market.

6. Alternative Remedies Proposed by VIPG

To achieve the CMA's aims while promoting true competition, VIPG proposes that the CMA adopt or recommend the following:

1. Clearer Display of Ownership of Online Pharmacies – (as currently it is extremely difficult to know or to find out who owns many of the online pharmacies!)
2. Mandatory Ownership Disclosure – Require practices to declare any corporate relationship with their recommended pharmacy.
3. Referral Neutrality Rules – Ban exclusive listing or promotion of group-owned pharmacies.
4. Rebate Transparency Initiative – CMA and VMD to compel annual disclosure of aggregate manufacturer rebate ranges by practice-ownership type (LVG vs. independent).
5. Market Monitoring – Publish annual online-pharmacy market shares by ownership.
6. Fee-Cap Safeguards – Allow cost-based uplifts for small or rural practices.
7. Post-Implementation Review – Conduct a 12-month impact review focusing on independent viability and medicine-price differentials.

7. Conclusion

VIPG respectfully urges the CMA to ensure that its remedies do not simply shift market power from one dominant channel to another. True competition will only emerge when independents can purchase medicines on comparable net terms to the corporates that now dominate both the physical and digital marketplaces.

Independent practices remain vital to choice, continuity, and local accessibility in UK veterinary care.

Appendix A – Legal Context: Ownership and Recommendation of Affiliated Pharmacies

1. Current Legal Position

It is presently lawful for a veterinary practice that forms part of a Large Veterinary Group (LVG) to recommend or dispense medicines via a pharmacy under common ownership, provided that:

- The commercial connection is clearly disclosed to the client;
- The client retains freedom of choice to obtain a prescription and purchase medicines elsewhere; and
- The recommendation is not misleading, coercive, or conditional upon using that pharmacy.

The Royal College of Veterinary Surgeons (RCVS) Code of Professional Conduct states that clients “must be free to choose whether to obtain veterinary medicines from the veterinary practice or to ask for a prescription to obtain them elsewhere.” **Any financial interest or commercial relationship between a veterinary surgeon and a supplier of medicines must be made clear to the client.** Thus, while ownership itself is permitted, non-disclosure or restricted choice would breach both professional and consumer-protection obligations.

2. Interaction with Competition and Consumer Law

Relevant legislation includes the Consumer Protection from Unfair Trading Regulations 2008 (CPRs) and the Competition Act 1998, which prohibit:

- Misleading omissions – failing to disclose a commercial link between the practice and an affiliated pharmacy;
- Aggressive commercial practices – creating the impression a client must use the in-house pharmacy;
- Abuse of dominance – steering clients exclusively to an owned pharmacy or pricing below cost to foreclose competitors.

3. Relevance to the CMA Investigation

While cross-referral between a practice and its own pharmacy remains lawful, the market context has changed. LVGs now own the majority of large online veterinary pharmacies—with a market share between them of around 60–70% of UK online medicine sales. This vertical integration creates strong incentives to steer prescriptions internally, limiting consumer choice and undermining independent competitors. Unless the CMA introduces explicit referral-neutrality and ownership-disclosure requirements, LVG practices will remain free to channel clients to their own online outlets—further consolidating market power.

4. VIPG Recommendation

VIPG proposes that the CMA adopt or endorse:

1. Mandatory Ownership Disclosure Rules – clear written and verbal disclosure of common ownership whenever a pharmacy is recommended;
2. Referral-Neutrality Requirement – practices must offer at least one independent pharmacy option



or a neutral comparison link;

3. Joint Monitoring and Transparency Reports – annual publication of ownership and referral data by the CMA, RCVS and VMD.



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Appendix B – Industry Benchmark Rebates and Buying-Group Models

1. Source

Summary derived from [REDACTED]. The session described veterinary buying-group models, rebate structures, and performance benchmarks.

2. Buying-Group Models Discussed

Model	Description	Example	Cash-Flow Effect
Independent from Wholesaler	Practice pays wholesalers directly; rebates returned later through the group.	[REDACTED]	Larger rebate but delayed cash benefit.
Agent of Wholesaler	Group invoices members mid-month at 'net-net' price – discount applied up front.	[REDACTED]	Smaller rebate but immediate discount and better cash flow.

3. Benchmark Rebate Range

In the webinar, it was claimed, “A common benchmark is a return of 20 to 24 percent. If your buying group delivers within this range, it’s generally considered to be performing well for you. This figure combines both discounts and rebates across pharmaceuticals, consumables, and service partners. Performance varies by administrative-fee model, product mix, and direct manufacturer deals outside the group.”

4. Evidence of Structural Rebate Inequality

VIPG member feedback suggests LVGs secure rebates up to 66% off list price across broad product categories — more than double the independent benchmark. This enables corporates to purchase stock far below independent acquisition cost and retail online at or below the prices independents pay.

5. Transparency and Contractual Observations

VetShare and MiVet Club are both wholly owned by CVS Group plc, which leverages CVS’s procurement team to strengthen negotiations. So, whilst Vetshare & MiVet Club, owned by CVS, benefit from CVS’s buying power & can therefore buy at the sort of levels that LVG’s obtain, they would appear to be only passing on part of that rebate. The very reason our Veterinary Independent

Purchasing Group was set up in the first place (being a former member of Vetshare when I owned my own practice).

6. Relevance to CMA Assessment

Category	Typical Independent Buying-Group Return	LVG / Corporate Reported Return
Average Rebate / Discount	20 – 24 %	Up to 60 – 66 % off list price
Up-Front Discount	0 – 10 %	Often combined with deeper manufacturer rebates
Pricing Transparency	Limited	Centralised & confidential within LVG systems
Market Impact	Independents buy at higher cost	Corporates can retail below independent cost

7. VIPG Position

VIPG urges the CMA to:

1. Investigate manufacturer rebate differentials between LVGs and independent groups
2. Publish anonymised rebate range data by practice ownership type
3. Introduce rebate transparency undertakings within the final remedy package.

Only with full transparency can the CMA ensure that forthcoming remedies — such as mandatory prescriptions or fee caps — do not entrench a pricing system already distorted by unequal manufacturer rebates.