Response to the CMA Provisional Decision on the UK Veterinary Market

Investigation Submitted by: [redacted] Roker Park Vets

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Introduction

I welcome the Competition and Markets Authority's (CMA) investigation into the veterinary sector and its aim to improve transparency and competition for pet owners. As a veterinary professional, I fully support measures that promote fairness, informed choice, and high-quality care and am in agreement that at present pet owners do not have the right information to make decisions.

The veterinary professionals and wider teams working within any business structure are some of the more diligent, compassionate individuals. They hold themselves to high professional standards and are advocates for animal health and welfare; as such, many feel the same frustrations as the pet owning public, as they are faced with challenging ethical and moral decisions daily in their line of work, trying to balance provision of veterinary care with the need for a viable business that pays teams fairly.

Several of the proposed remedies — though well-intentioned — risk introducing unintended consequences that could undermine clinical standards, increase administrative burden, reduce appointment availability, and further disadvantage practices, notably independently run practices.

The following key points reflect my opinion and from discussion with other practitioners are shared by many in the profession.

1. **Online Pharmacy Ownership and Market Fairness**

   The CMA's recommendations do not sufficiently address the distorted competition created by corporate ownership of online pharmacies. It is widely known that IVC evidensia own PetDrugsOnline, CVS own Animed Direct and VetPartners own VetUK; this aspect of vertical integration was completely omitted from their report on findings and downplayed during the PDR webinar.

   Many large veterinary groups now own or are affiliated with online pharmacies, allowing them to profit twice: first through the practice, and second through their own retail pharmacy arm.

   These entities can purchase medicines at significantly lower prices than many independent practices, leveraging centralised buying power and internal pricing models unavailable to smaller providers.

   Independent practices, meanwhile, cannot compete fairly, even if they wish to offer lower margins, as their wholesale costs often exceed the online retail prices charged by corporate-owned pharmacies.

> Whilst there are many online pharmacies not owned by LVGs, the overall number of internet pharmacies is not a fair comparison between independent and LVG. I believe that a disproportionate number of online pharmacy sales are made via online pharmacies owned by the LVGs than what one would expect in a well functioning marketplace due to the significant buying power they have attained, which puts them at an unfair marketplace advantage.

While we support the CMA's objective of improving consumer awareness and access to affordable medicines, the effectiveness and proportionality of the proposed prescription remedies (Remedies 7–11) are significantly undermined by the continued vertical integration of large veterinary groups (LVGs) with online pharmacy businesses**.**

Under the current market structure, the CMA's written prescription remedy (Remedy 8) — which mandates same-day or same-consultation issuance of prescriptions — would disproportionately benefit LVGs that own or have preferential commercial relationships with online pharmacies. These vertically integrated groups can internally capture the prescription market, cross-subsidise retail pricing through their clinical operations, and leverage customer data to drive retention across their network. In contrast**,** independent practices, which are required to provide prescriptions under the same terms, would lose medicines income without comparable downstream integration or scale economies, eroding their financial sustainability.

The CMA has recognised similar risks of self-preferencing in relation to diagnostic laboratories, crematoria and out-of-hours services, yet declined to impose structural remedies on the basis that those services "are not used exclusively" by LVGs. Independent practices do not own laboratories. They can choose to use one owned by an LVG or an independent laboratory and the market still allows competition here (however the LVGs are at an obvious advantage due to this vertical integration allowing a larger margin to be made). A similar picture can be seen with respect to crematoria, however some remedies have been suggested to improve transparency here. Out of hours providers are more scarce and in some areas this is causing problems, however again, some remedies have been suggested to help with this. With these services, an independent practices income stream is not significantly affected by the LVG ownership.

In the case of online pharmacies**,** the integration is *functionally exclusive*: prescriptions issued within LVG practices can be automatically fulfilled by their associated online outlets, while independents cannot benefit from the same internal capture or data integration.

Although this remedy will help open up the market with regards to internet pharmacy sales and increase competition between online retailers and veterinary practices, it is not going to significantly improve veterinary costs to clients as service fees will be increased to account for the loss of income from drug sales. Furthermore, as the online pharmacy market is dominated by ownership by the LVGs, the increased competition achieved is not actually going to benefit the clients, only the LVGs, who will gain more sales through online drug sales from independent practices prescriptions. The independent practices will therefore need to increase their service fees by proportionately more to maintain the same level of profitability. Currently the

gap between independent practice pricing and LVG pricing is 16.6% as quoted. This remedy in its current form will reduce that gap by bringing independent practices prices up to meet this, leaving clients overall worse off, independent practices worse off and LVGs still being better off with greater profit margins by still being able to benefit from high service fees and online drug sales. Many independent practices are likely to resist the increases in service fees required to maintain a functional business, resulting in further loss of independent practice and industry consolidation.

Furthermore, it was stated in the PDR webinar:

"The majority of independent practices belonged to buying groups. A particularly striking point of our assessment is that some buying groups can obtain broadly comparable manufacturers rebates to these obtained by some LVGs. These buying groups typically select preferred products for their members to purchase and effectively pool their purchase volumes into a smaller number of medicines to increase the rebates they can obtain from manufacturers. This does not appear to affect clinical freedom of vets working in these FOPs".

I have a number of concerns regarding this statement:

a) This essentially advises independent practices that if they want to be able to compete they must join a buying group. This is essentially good advice.

b) This further advises that the buying group that should be joined must select "preferred products" for their members to purchase. This has a number of concerns both legally and professionally.

i) It would reduce competition between buying groups as those that do not offer this would not have the buying power to continue in business.

ii) It would reduce the availability of alternative pharmaceutical products due to consolidation of the number and range of products available to purchase in an already unstable pharmaceutical market. The loss of one product from the marketplace due to manufacturing issues has significant supply issues for the entire market (not just veterinary, but the human market is also seeing issues here).

iii) The preferred product lists from my experience ensures product linking, whereby the rebates achieved (by both the LVGs and the buying groups) are conditional to using a combination of products from the same supplier (or "dominant company"). CMA case reference CE/9855-14 from June 2015 would suggest that that the way in which the buying groups or LVG procurement teams are operating are currently in breach of this guidance and further investigation into these practices, which were deemed unnecessary in 2015, are certainly important now with the remedies being implemented that could force independent practices into following your advice to join a buying group that is acting against your advice!

c) This can affect clinical freedom as compliance targets must be met with some buying groups advising 90% of the preferred products must be used. This does limit clinical freedom as it is a package of products that must be used, you cannot pick and choose which preferred products you use, you have to use them all to achieve the enhanced rebate.

Whilst some of the better buying groups make the preferred product choice under consultation with their members with significant veterinary input, this is not essential for all buying groups. I have experienced working at an LVG the loss of clinical freedom on occasion due to the lack of ability to purchase a product as it didn't meet the preferred product list and clinical judgement would come into question by non-clinical staff. Buying groups operating in this way risk similar scenarios occurring with unnecessary pressures being placed on frontline staff. The use of these practices have been reduced following RCVS intervention that is supported by CMA remedies, however they are still present.

Recommendation:

Reconsider the absence of a structural remedy and require LVGs to divest ownership of online pharmacies. This would ensure:

- A level competitive field between independents and corporates in the prescription medicines market;
- Genuine consumer choice, free from internal referral bias; and
- Consistency with the CMA's own principles that remedies should be *comprehensive, effective, and proportionate* in addressing the adverse effect on competition.

Without such separation, the proposed behavioural remedies risk entrenching LVG dominance in medicines supply rather than increasing competition — contrary to the CMA's stated policy intent. Divestment of ownership of online pharmacies from LVGs is the only way to ensure remedies 8 and 10 are going to be proportionate and fair between independent practices and LVGs. Alternatively these remedies need to be reconsidered.

2. Prescription Timelines, Cost Recovery, and Security

Mandating same-day prescriptions is impractical and risks compromising both clinical safety and service capacity.

A 48-hour prescription turnaround remains a clinically safe and operationally realistic timeframe for the majority of practices, especially given the intention for chronic, long term medicine provision rather than for urgent medical treatment.

Prescriptions require time and accuracy checks, and clients often need to confirm the quantity, repeats, or chosen pharmacy — which cannot always be achieved same-day. If same-day prescriptions are enforced, the associated work represents approximately 15 minutes of professional time, and fees must reflect this.

I am concerned that the proposed £16 cap on written prescription fees **(**Remedy 11) is economically disproportionate and fails to reflect the professional, administrative, and legal responsibilities inherent in issuing a veterinary prescription. It is grossly unfair to propose a cap based on the lower quartile of independent only pricing in 2023 for implementation in 2026, I cannot understand how this is believed to be justifiable.

The CMA acknowledges (Part B, 6.16) that a prescription fee covers not only the act of writing and transmitting the document, but also the clinical review of the case, confirmation of ongoing suitability and dosage, record-keeping, follow-up queries, and continuing professional liability for any adverse effects of the medication prescribed. In independent practice, these tasks typically require around 15 minutes of a veterinary surgeon's professional time, often including client communication and medical record review. Additional prescriptions may not take an additional 15 minutes, but would still take at least 5 additional minutes to administer. A dog on 3 heart medications (which is not uncommon) would be facing a prescription fee of £16 for 3 medications, taking 25 minutes of veterinary time.

At a conservative blended cost of £3.00–£3.50 per professional minute (based on average veterinary employment and overhead costs published by SPVS 2024), a 15-minute prescription equates to a real cost of £45–£52 per instance—almost three times higher than the CMA's proposed cap. The £16 limit therefore represents a loss-making activity for small practices, especially when follow-up calls, reauthorisations, and compliance documentation are factored in.

Veterinary practices from both independent and LVGs have always provided the written prescription when requested and have always made a *reasonable* charge to cover their professional time and administrative costs according to RCVS guidelines. While the rationale behind the prescription fee cap is understood and reasonable, a fee between £20 and £25, although still undervaluing professional time, would be more appropriately in line with current prices and ideally should be per drug, however a smaller fee for 'additional drugs' may be acceptable to reflect the additional time required to produce.

Prescription Fraud and E-Delivery.

Many practices have moved away from physical prescriptions due to forgery, date alteration, and multiple redemptions. Requiring printed or emailed copies directly to clients will increase fraud risk. A secure system allowing practices to send prescriptions directly to a nominated pharmacy remains the safest option and encouraging all practices to send prescriptions directly to the pharmacy of the owners choice would be the responsible thing to do, rather than advising the prescription is provided to the owner.

Digital Infrastructure

To make the CMA's proposal viable, and mitigate risk of prescription fraud, the UK needs a secure digital prescription framework integrated with practice management systems (PMS). Many will already have this, or can hand write, scan and then send. However, PMS providers will require at least 12–18 months to design, test, and roll

out such infrastructure, and the latter method is time consuming and again reflects the same day prescription as unobtainable and unsafe.

Recommendations:

Retain a 48-hour standard for issuing prescriptions.
Allow, and even encourage, direct electronic transmission to pharmacies to prevent fraud.
Having a longer term goal to digitise the prescription market with a centralised system would enable a much stronger market to promote future competition
Increase the prescription price cap

3. Pricing Transparency and Comparison Platforms

Transparency is positive, but simplistic price listings risk misleading the public.

Veterinary procedures are rarely comparable: e.g., "mass removal" may range from a simple wart on a healthy patient to a high-grade tumour on an elderly patient with multiple co-morbidities — vastly different procedures in both risk and cost.

Routine services such as spays, castration, and dentals also vary widely in what is included (e.g., IV fluids, pain management, dental radiology, anaesthetic monitoring by an anaesthetist, RVN or lay person to name a few possible differences that would not be immediately visible to owners).

Extensive price lists are therefore potentially deceptive unless accompanied by context and clear inclusion criteria and potentially risk compromising on patient care to ensure competitive online pricing.

We welcome transparency in pricing, but 'shopping around' does not always reflect the same level of care. Clients with no medical background cannot be expected to understand the nuance.

'Shopping around' does not foster a good relationship that is imperative for a trusted rapport, continuity of care and of a strong veterinary-practice-client relationship.

Health plan pricing transparency, while is an essential part of improving transparency, must be implemented fairly as some health plans are complex due to different weight brackets of pets, meaning the true costs and savings are very variable between individuals in the same price banding. I have attempted to provide some clarity for my clients with my health plan, which was quite time consuming given the range of products and weight brackets I provide. Health plans are complex and subject to a number of variables that are difficult to give a specific price as the following things will affect the cost of items included in the plan:

- Product being used, which may span different weight brackets from the health plan
- Individualised risk assessment determining frequency of application of products
- Benefits such as discounted services/products that are only required if clinically indicated

- Some benefits may be monthly, quarterly, six monthly or annually so accurate presentation of savings can be difficult

Please see attached example of what I have done. I believe it is acceptable for what you intend to achieve, but am not sure it is specific enough to meet the wording of the requirements you intend to implement

Recommendations:

Comparison platforms must have the ability to show exactly what is included in each price.
Practices should be able to have flexibility for clinical or case-specific variations.
Include explanatory material for owners about the Veterinary Medicines Cascade, clinical standards, and how these influence price.
More clarity is needed as to how practically practices can achieve clear pricing transparency when veterinary medicine is a complex art and not a 'one price fits all' market and price ranges or 'starting from' prices may be worth considering.

4. **Veterinary Medicines Directorate (VMD) and the Cascade**

The current VMD regulatory framework and cascade are not fit for purpose and increasingly place veterinary professionals in conflict with owners who do not understand — or sometimes do not care about — the legal restrictions.

This is particularly frustrating when cheaper, equally effective human-licensed medicines exist that vets are legally prevented from prescribing for cost reasons alone.

In wildlife, charitable rehabilitation work and low income pet owning households, where care is funded through donations or volunteer time, this restriction has a direct negative impact on animal welfare.

Recommendation:

Although this may fall outside the CMA's remit, the government should review VMD and cascade restrictions in parallel with the CMA reforms.
Allowing appropriate flexibility in medicine selection would directly support affordability, fairness, and animal welfare.

5. **Referral Processes and Complex Procedures**

I support that clients should receive estimates for veterinary care, while also recognising that a patient's treatment plan can change rapidly as their disease process deteriorates, new diagnosis is gained or new information appears. Complex and emergency cases often cannot be accurately priced in advance without diagnostics. We are glad to see that there are exceptions made for emergency patients in the report. However, even critically ill patients, or even patients who present as 'mildly unwell' but deteriorate fast, who may not be an 'emergency' can have rapidly changing treatment needs: flexibility and understanding is needed here.

Requesting multiple estimates from specialist centres will substantially increase administrative workload for clinical teams and is time that is currently not charged for by many practices, however may lead to the need for a chargeable 'referral fee' if this were to be a requirement. The implementation of this remedy should be flexible and look at practice protocol rather than individual cases. If most clients are given an estimate, a practice should not be penalised if a £400 procedure becomes £501 due to unforeseen circumstances.

Recommendation: Ensure flexibility in providing estimates for routine, fixed-price referrals (e.g., imaging, elective surgery), with the understanding that veterinary medicine is not always simple.
Complex or urgent cases should have estimates generated, however consideration should be given to what happens when treatment plans change.
For others, practices should be required only to inform clients of available referral options (whether locally or the ones most suitable to their pets needs), not to obtain multiple written estimates.
Although we are often happy to help, it should be down to the client to seek multiple estimates if that is their desire.

6. Insurance Misunderstanding and Client Expectations

There is a genuine concern that these proposals will reinforce the public perception that "vets are now cheaper," discouraging owners from maintaining pet insurance or having any form of financial planning for their pets.

In reality, medical care provision still comes at a cost. Owners may therefore become disillusioned when bills remain higher than their desire — leading to increased complaints and reduced coverage.

Recommendation: The CMA's public communications must emphasise that these reforms do not eliminate the need for insurance or substantial financial planning and that complex veterinary care remains inherently costly, and these costs are broadly reflective of the cost of good-quality medical care provision.

7. Practical and Technological Implementation

Many proposed remedies — including same-day prescriptions, automatic data uploads to comparison sites, and digital complaints systems — require technological infrastructure that currently does not exist across most practice management systems.

Recommendation:

Provide an extended 18-month implementation period following the final order and engage directly with PMS developers, RCVS, and professional bodies to ensure realistic, secure delivery.

8. Own-Brand POMVs and Market Lock-In

A major issue not adequately addressed in the CMA's provisional report is the rise of "own-brand" POMV medicines, exclusive to specific corporate groups.

These products represent a serious distortion of competition and actively undermine several of the CMA's proposed remedies.
LVGs now sell POMV products branded exclusively for their network, unavailable to independent practices or online pharmacies. This prevents clients from obtaining written prescriptions for those medications elsewhere, directly contradicting the CMA's goal of enabling price comparison and online purchasing. Such exclusivity locks clients to one corporate group, since switching practice would require a brand change and potentially a lengthy clinical discussion (as per the new 'Under Care Guidance' we must now physically see pets for every new change of anti-parasitic treatment. See Point 4: You must always perform a physical examination in the following circumstances C. when prescribing antibiotics, antifungals, antiparasitics or antivirals (unless there are exceptional circumstances)*.
https://www.rcvs.org.uk/setting-standards/advice-and-guidance/under-care-new-guidance/

It also permits price manipulation, as the manufacturer–corporate relationship can set prices without external scrutiny or alternative supply. This behaviour is already recognised in Section 56 of the CMA's own report, yet no corrective measure is proposed.

The CMA's own remedy in Section 79, which relies on client freedom to seek cheaper online medication, is effectively voided if large groups simply migrate to exclusive-brand POMVs.

Recommendation:

Require all POMVs to be commercially available to all registered veterinary practices and eligible for fulfilment by all online pharmacies.

9. Financial Sustainability and Lost Revenue

The CMA's proposals would significantly reduce income from medicine sales and prescription fees — a key component of practice sustainability.

If revenue from prescriptions decreases:
● Consultation fees and treatment prices will inevitably rise to offset the loss.
● Fewer appointments will be available as clinical teams spend more time on administrative tasks.
● Smaller independent practices may become financially unviable, further reducing competition and local access to care.

Moreover, government policy continues to apply 20% VAT to essential veterinary care. If there is genuine intent to reduce costs for owners, VAT reform on veterinary services would be a far more effective and equitable measure.

I support fair prescription fees, and I support fair medication pricing. However, as above, this will funnel revenue to corporate owned online pharmacies, driving revenue away from other businesses, while not recognising the unfair disadvantage some businesses have due to regulation around veterinary wholesalers who cannot

compete fairly, even if they wish to offer lower margins, as their wholesale costs often exceed the online retail prices charged by corporate-owned pharmacies.

This must be taken into account and it must be acknowledged that for businesses that have low profit margins, if revenue is lost on one aspect, prices in another will have to increase to make businesses viable, and avoid events such as team redundancies.

It was stated in the PDR webinar that:

"Some businesses which are currently pricing their professional services such as consults close to or below cost and relying on charging pet owners significantly higher prices for medicines to cover other costs and overheads. We understand that this is a long standing model for pricing for FOPs bit it is one that in our provisional assessment reflects weaker price competition on medicines".

This long standing business model has been developed to ensure that veterinary advice is as affordable as possible to clients, particularly those with low incomes. This presentation made it very clear that the expectation is for independent practices with this pricing structure should charge significantly more for their professional time. I believe somewhere in the region of 16-50% increase in consult fee was implied throughout the presentation.

Conclusion

Since the emergence of corporatisation of the veterinary industry in the late 1990's, the large veterinary groups have managed to negotiate higher drug rebates from pharmaceutical suppliers. They have also increased their mark-up percentage from list price (rather than cost price) whilst disproportionately increasing service fees. These remedies risk:

- Making a minimal impact overall to the cost of veterinary treatment to clients
- Significantly increasing the cost of veterinary services to clients
- Reducing the inclination for pet owners to seek veterinary advice (particularly those on a low income), meaning they still don't get the medicine they need
- Overall having a negative impact on animal welfare

The veterinary profession shares the CMA's goal of transparency, fairness, and consumer protection. However, the proposed measures — without modification — risk:

- Increasing operational pressures,
- Raising treatment costs,
- Exacerbating corporate dominance, and
- Undermining clinical autonomy and animal welfare.

Remedies 8 and 10 are only fair and proportionate interventions if there is divestment of online pharmacies from LVGs. If enforced, they will still have a massive negative impact on the structure of veterinary businesses, however at least LVGs and independent practices will remain on a level playing field.

I believe that pricing and ownership transparency while ensuring owners are aware of their options with regards to obtaining medicines is needed to raise awareness of this

to limit the excessive increases that have been seen over the last few years. This should be sufficient to ensure adequate competition. A reasonable cap on written prescription fees is also a fair measure to facilitate this client choice. The implementation of strict requirements to signpost clients elsewhere for their medicines as a default is likely to destabilise an industry and medicine market that was already unstable and crying out for reform and modernisation in a more sustainable way, while eroding trust in the veterinary profession.

I urge the CMA to engage directly with practising veterinarians, registered veterinary nurses (RVNs), the wider veterinary team, the RCVS, and the VMD to ensure reforms are clinically sound, technologically feasible, and economically fair. Only through balanced collaboration can we achieve a system that genuinely benefits both pet owners and the profession entrusted with their animals' care.