Veterinary services for household pets in the UK
VetPartners' response to the CMA's provisional decision report dated 15 October 2025
(submitted 17 November 2025)

Executive summary

- **General** – VetPartners welcomes the CMA's work in understanding the sector and supports targeted, workable market-wide transparency and information measures that genuinely help pet owners make informed choices. We want clear, practical remedies that improve client experience and patient outcomes, without adding any unreasonable burdens on our people or reducing the quality of care for pets. We know that there are high levels of client satisfaction with vet services from pet owners across the UK with veterinary services (including from the CMA's own pet owners survey), and would not want these to diminish as a result of misconceived remedies.
- **Move away from the 'LVG-owned vs independent' distinction** – We reject the PDR's unfounded binary distinction between LVG-owned and independent practices. Competition takes place at a local level, barriers to entry are low, and there has been sustained new entry by practices (including more than 200 independent practices since 2020). VetPartners is essentially a heterogeneous collection of independent vet practices. Our practices operate with a high level of autonomy; we do not impose price changes or improper KPIs. Remedies should not treat practice teams differently based on ownership, including through shorter implementation timelines for LVG-owned practices (as otherwise the people working in LVG-owned practices would effectively be penalised).
- **Overreliance on weak and selective evidence** – The PDR underrates quality and over-relies on weak and selective evidence. The pet owner survey commissioned by the CMA had an extremely low response rate and suffered from structural biases (which we pointed out to the CMA from the start). The CMA's econometrics analysis of acquisition effects has several limitations, including that it cannot effectively adjust for quality or for COVID-period effects. The CMA's provisional findings on profitability show wide variation over time and across firms, and are sensitive to the CMA's assumptions. There is no clear evidence of sustained and widespread economic profits or systematically higher LVG prices.
- **Importance of quality** – Quality matters, and should be carefully protected in any remedy design. The RCVS Practice Standards Scheme (PSS) ensures quality in terms of processes and outcomes, including important aspects that are not always visible to customers. Feedback tools such as Net Promoter Scores (NPS) and online reviews already help clients understand service standards at the local practice level. These existing measures should be strengthened and standardised rather than replaced by a national group-level survey which would be meaningless in a sector where competition is local, and would risk misleading pet owners about their local practice's performance. Not only vets but also nurses and support team members are key to the quality of offering of a practice, despite the CMA appearing to suggest otherwise.

- **Approach to remedies** – Above all, remedies must be clear, proportionate and final at the point of the final order. The sector cannot sustain prolonged uncertainty or trial-and-error measures, particularly considering the time and effort that the market investigation has already taken. Targeted transparency and quality initiatives will deliver the intended benefits for pet owners without harming care for pets or overburdening veterinary teams. Implementation timelines should be the same for all practices, regardless of ownership (as the work will mostly need to be done by practice teams).

- **The need for continued investment**: The sector has experienced important advances in clinical care. Improved clinical care and quality improvements generally require significant continued investment. The remedies should not disincentivise future investment in the sector. We would not want the current high levels of client satisfaction to decrease due to remedies that are overly intrusive and that have not been carefully considered and designed.

- **Comments on specific remedies**

    - ***Price information*** – We support clear price information with precise, comparable definitions for the items on the CMA's standardised list. Standard price lists can work if descriptions are specific and consistent to avoid 'apples and pears' comparisons (which are unhelpful to pet owners) and a race to the bottom on headline prices. It will also be important to avoid the unnecessary environmental impact and costly waste from frequent re-printing requirements.

    - ***Written estimates*** – Written estimates should be meaningful and workable. Mandating written estimates at £500 pre-diagnosis is impractical and risks overwhelming vets and pet owners with hypothetical scenarios that may not apply. Based on the data, we propose a higher threshold (at least £1,400) that applies post-diagnosis when the treatment pathway is clearer. We support itemised billing.

    - ***Survey*** – A new survey that is based on national, group-level averages would not help pet owners choose between practices in local areas where competition actually occurs. Instead, the focus should be on enhancing and standardising the use of NPS across the sector.

    - ***Medicines*** – There is already effective competition in the sale of medicines, especially for repeat and non-urgent medications. The PDR potentially overstates typical savings and practice-level medicine profitability. Information remedies should comply with medicines advertising rules and avoid the need for blanket statements that are inaccurate in many cases. Any obligations regarding written prescriptions must account for operational realities and PMS constraints.

    - ***Prescription fee cap*** – Increased transparency should discipline fees for a standardised service like prescriptions. There is therefore no need for a cap. If a prescription fee cap were imposed, £16 would be disproportionately low and not enable cost recovery. If needed, any cap should be set at a level consistent with credible cost evidence, include a 'sunset' review, and avoid additional measures that risk undermining clinical discretion on prescription duration.

- ***Ownership*** – We support transparency on ownership to be applied across the board. External signage change requirements go beyond the CMA's remedies in previous comparable cases, and would require longer implementation periods than currently proposed. An RCVS helpdesk to answer practical compliance questions would help reduce error risk and unnecessary wasted cost.
- ***Find a Vet*** - Enhancing the RCVS "Find a Vet" hub is positive. It will be important to include quality notes. Sharing the data with price comparison sites would risk over-simplification, loss of quality as a differentiator and competition only on headline prices. The focus for comparisons should be on information that is presented in a clear and balanced manner, reflecting both quality and value at the local practice level.
- ***Cremations*** – We believe that it is important to give clients all relevant information about options when a pet reaches the end of its life. Publishing standard options and prices is sensible, but sharing extensive pricing options (by species, weight and add-ons) would overwhelm clients at a vulnerable time. A focused list of the standard individual and communal cremation options, with clear explanations, would better support informed choices. Decision and reflection periods are already commonplace, but pet owners should be able to opt-out. In any event, it will be important to reflect storage and collection constraints in the remedy design.
- ***Complaints and mediation*** – Complaints should ideally be resolved directly between the pet owner and the practice, with mediation as a next step should it be necessary. We support clear written complaints processes, proportionate logging of complaints, and good-faith mediation requirements, and these should be subject to safeguards for frivolous or vexatious complaints. The Veterinary Client Mediation Service should have adequate resourcing to avoid delays that impact pet owners and teams.

Introduction

1. VetPartners welcomes the opportunity to respond to the CMA's Provisional Decision Report of 15 October 2025 ("PDR").

2. VetPartners appreciates the work that the CMA has carried out in trying to understand the intricacies of the veterinary sector. VetPartners is heartened by the fact that the CMA recognises (a) the strong professional integrity displayed by the people working in the sector, (b) that veterinary services are not a commodity, and (c) the importance of the trust-based relationship that exists between vets and their clients.[1]

3. The PDR, however, still reveals material gaps in the CMA's understanding of some of the features of the sector. For example, the CMA does not yet appear to fully appreciate the role that quality plays in the sector. The PDR also does not go far enough to dismiss some of the initial theories of harm explored by the CMA, even though they are clearly not substantiated by the available evidence. An example of this is the CMA's baseless belief that there are substantive differences between LVG-owned and independent practices.

4. This is particularly disappointing considering the CMA Board's advisory steer, which made clear that the investigation should be expeditious and focused.[2] Nevertheless, VetPartners hopes that the final decision will be more targeted and focused on the small number of features of the sector that could be further improved through this market investigation process. This is also consistent with VetPartners' ongoing drive to take on board any client feedback with a view to improving client experiences and further enhancing patient outcomes.

5. It is clear that there are currently high levels of client satisfaction and trust in vets.[3] However, we would not want these to decrease due to remedies that have not been carefully considered and designed (for example, due to increased administrative burdens, vets and nurses having less time to spend with clients and their pets, or a 'race to the bottom' on quality due to the focus on headline prices).

6. The CMA investigation has already placed a significant burden on VetPartners. VetPartners has spent significant time and resources responding to the CMA's market investigation. Therefore, we are keen to focus on working with the CMA with a view to agreeing a set of remedies that are likely to bring positive change and that are reasonable, proportionate and workable in practice. To this end, it is also critical to ensure that the final list of remedies is clear and definitive at the point of making the final order, as the sector cannot sustain in the foreseeable future a prolonged review remedies process.

7. This response is structured as follows:

   - **Section 1**: Overarching comments on the PDR;

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1 CMA PDR Part A, paragraphs 10.6, 3.34 and 3.22.

2 CMA Board Advisory Steer (23 May 2024), paragraph 13, which stated that *"…if there are areas of the inquiry where early on evidence suggests that no adverse effect on competition exists, or that **appropriate remedies are unlikely to be available**, we would urge the Group to deprioritise such areas*." (emphasis added).

3 See for example CMA PDR Part A, paragraph 3.22.

- **Section 2**: Comments on the CMA's evidence;
- **Section 3**: Comments on the CMA's proposed remedies.

8. Our comments below are not exhaustive. The fact that VetPartners does not expressly respond to a point in PDR does not necessarily imply that VetPartners agrees with it.

SECTION 1: OVERARCHING COMMENTS ON THE CMA'S AEC ANALYSIS

The PDR paints a false dichotomy between LVG-owned practices and independent practices

9. VetPartners has consistently submitted that there is no basis for the CMA to differentiate between VetPartners practices and independent practices. VetPartners is a heterogeneous collection of essentially independent vet practices.[4] VetPartners' practices operate with a large degree of autonomy. More importantly, VetPartners does not impose price changes[5] or improper targets or KPIs on its practices and operates a high-autonomy model.[6] None of the market features identified is ownership-specific; a market-wide remedy design without ownership-based differentiation is reasonable and proportionate.

10. The CMA correctly states that there are "*no features of the market that are specific to certain groups and their ownership status*".[7] The vast majority of the remedies proposed by the CMA apply equally to LVG-owned practices and independents, which seems to be driven by the provisional finding that the CMA's concerns "*derive from some features that are inherent to the market and from some, such as the lack of information available to pet owners, that apply across the market, [which] points to a need for market-wide remedies*."[8]

11. The CMA has also been clear that vet practices are not homogeneous. This applies to LVGs and independent practices. There is a significant degree of variation between (a) different LVG-owned practices, and (b) different independent practices. This is consistent with what would be expected in a well-functioning market.

12. Despite these facts, the PDR and associated documents[9] still contain several potentially inflammatory statements aimed at LVGs, and present the evidence in ways that are unduly unfavourable to LVGs. For example, the PDR only includes evidence from the CMA's

4 See VetPartners' response to the CMA's working paper on financial and profitability analysis dated 1 May 2025 (submitted 30 May 2025), paragraph 2.2.

5 See VetPartners' response to the CMA's working paper on business models, provision of veterinary advice and consumer choice of 6 February 2025 (submitted 21 March 2025), paragraph 4.5.

6 See VetPartners' response to the CMA's working paper on business models, provision of veterinary advice and consumer choice of 6 February 2025 (submitted 21 March 2025), paragraph 6.11.

7 CMA PDR Part A, paragraph 6.16.

8 CMA PDR Part B, paragraph 2.65.

9 See e.g., CMA's press release of 15 October 2025 (accompanying the PDR).

pet owners survey that favours independent practices, while ignoring the evidence in key areas that favours LVG-owned practices.[10]

13. This is misleading to pet owners and is causing unnecessary friction and division in the profession, particularly as some independent practices have continued using the CMA's market investigation to make claims that are capable of misleading consumers. Many hard-working vets and nurses at VetPartners-owned practices have reached out to VetPartners' management team regarding the CMA's negative portrayal of LVGs, and the amplification of that theme by independent practices, which has had a negative impact on them personally. We strongly believe that this is unfair, and that these vets and nurses deserve better.

14. VetPartners urges the CMA to clarify in the final report that:

- None of the features identified by the CMA can be reasonably linked to LVGs in particular, and that LVGs have made significant and positive improvements to the sector; and
- LVG-owned practices are not necessarily more expensive than independent practices, and that prices and quality must be assessed at a local level, which is where competition takes place.

15. We will discuss these points briefly below.

A) The sector is characterised by (a) low barriers to entry, and (b) competition between a large number of LVG-owned and independent practices

16. The CMA's evidence shows that there are no material barriers to entry in the market for the supply of veterinary services by FOPs. For example, the CMA finds that independent practices can purchase medicines on substantially the same terms as LVGs, in particular by joining buying groups.[11] The CMA also finds that these buying groups support members in a range of other areas, such as recruitment, marketing and advertising, practice management systems and HR support.[12]

17. There has also been consistent new entry in the sector by a large number of practices. Notably, out of 259 FOP sites that opened since 2020, 204 are independent practices (i.e. 79%).[13]

18. The CMA recognises that the sector has benefitted from various positive developments, including improvements to employment conditions and the availability of more advanced treatments. However, the CMA fails to fully reflect the evidence provided by LVGs for driving many of these improvements. For example:

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10 Vet Users Survey, Final Report, Accent for the CMA (January 2025), published 6 February 2025, page 44 (question 50) shows that a smaller proportion of LVG clients reported not receiving a price estimate (31%) compared with independent clients (41%). Similarly, page 44 (question 51 shows that among those who received advance pricing information, LVGs were more likely to provide itemised price lists (20% vs 13%) and standard price lists (16% vs 13%).

11 CMA PDR Part A, paragraphs 11.77 and 11.303.

12 CMA PDR Part A, paragraph 11.135.

13 CMA PDR Part A, paragraph 2.20(f).

- The growth of dedicated OOH practices has made it possible for more vets to open their own practices (as they no longer need to worry about meeting their regulatory obligations through providing their own OOH services at less sociable hours).
- The significant investments made by LVGs in people, benefits, and employment practices[14] have delivered positive changes, making the sector more attractive to vets, nurses and others working in the sector.[15] This ultimately benefits consumers and pets because it ensures increased delivery capacity in the industry and more experienced vets, nurses and support teams that in the past might have exited the sector due to inflexible ways of working and lack of family-friendly policies.
- The significant investments made by LVGs have led to greater quality of care, through the availability of more advanced treatments,[16] resulting in substantial improvements in animal welfare, and pet owner satisfaction.
- The increased emphasis placed by LVGs on continued improvements through, for example, clinical audits (see, for example, the quality improvement (QI) work that is carried out by and under guidance from the members of VetPartners' Clinical Board)[17] and training (including on soft skills, such as communication)[18] has ensured high quality clinical care and greater levels of awareness of the need to provide price estimates and seek informed consent among vets, nurses and practice teams working in LVG-owned practices. This is also consistent with the high percentage of PSS membership among LVGs. See also paragraphs 40 to 43 below.

19. The CMA has also seen evidence of the significant investments made by LVGs.[19] The CMA did not ask independent practices to provide evidence on the investments made by them.[20] To the extent that independent practices have invested in similar improvements, such investments were mainly made in response to competition from LVG-owned practices.[21] It should be clear that these improvements are the result of competitive dynamics, and that they would not exist in the absence of effective competition.

20. The CMA appears to have placed greater weight on the pet owners survey than previously in order to show that independent practices are perceived to provide higher quality services. Section 2 below explains why this is not appropriate, given the very low

14 CMA PDR Part A, paragraph 6.6.

15 CMA PDR Part A, paragraph 2.30 and footnote 101.

16 CMA PDR Part A, paragraphs 3.29, 5.10(c) and 10.5.

17 See Annexes MI-03551 to MI-03552, submitted in VetPartners' response to the CMA's working paper on business models, provision of veterinary advice and consumer choice of 6 February 2025 (submitted 21 March 2025), paragraphs 7.22(a)-7.22(b).

18 See VetPartners' response to the CMA's working paper on business models, provision of veterinary advice and consumer choice of 6 February 2025 (submitted 21 March 2025), paragraph 3.3(b). A number of examples have also already been submitted to the CMA previously: Annexes MI-01556 to MI-01562 (i.e., VetPartners' clinical team documents about what they do and quality improvement) and Annexes MI-01563 to MI-01564 (i.e.,VetPartners' graduate training materials).

19 CMA PDR Part A, paragraph 2.30 and footnote 101.

20 CMA PDR Part A, paragraph 7.101.

21 See for example CMA PDR Part A, footnote 101.

response rate to the survey (only 3.7%, below the CMA's own 5% threshold)[22] and other methodological concerns. In any event, reliance on the pet owners survey is not helpful, as the pet owners survey does not provide useful or reliable evidence of the ***relative*** quality of LVG-owned and independent practices, locally, where these practices compete. Moreover, this specific aspect of the pet owners survey is inconsistent with the CMA's evidence of the quality improvements made by LVGs. VetPartners asks the CMA to avoid making statements regarding the relative quality of LVG-owned and independent practices in the final report that are not supported by clear and compelling evidence, in particular as these could unjustifiably distort pet owner perceptions and indeed mislead pet owners.

B) There is no credible basis to suggest that LVG-owned practices are more expensive or generate higher profits than independent practices

21. Despite acknowledging various concerns, the PDR nevertheless relies on the CMA's profitability analysis, and on the econometric analysis of the effects of acquisitions on treatment costs. Section 2 below sets out why the CMA's econometrics and profitability analyses are not reliable. Regardless of the lack of reliability, these analyses do not demonstrate that LVG-owned practices are more profitable than independent practices. They also do not claim to provide information on the prices and profitability of individual practices.[23] Setting aside the significant methodological concerns with the CMA's analyses, VetPartners submits that:

- On **prices**, the CMA's econometric analysis of acquisition effects does not show consistent price differences between LVGs and independents in a given local area. VetPartners' economic advisers have found that in the vast majority of local areas, the average spend per pet at VetPartners-owned practices is either lower or within the range spent by clients at local independents. See further Section 2, *Comments on the CMA's econometrics analysis of the effect of acquisitions on treatment costs*, sub-heading (B) below.
- On **profitability**, there is a wide distribution of profits across LVGs and independent practices. The CMA finds that, during the period assessed, some - but not all - LVGs and independent practices generated higher profits than what the CMA would expect to observe in a well-functioning market.

22. Therefore, the final report should place less reliance on these analyses, and take extra caution to ensure that pet owners are not misled into believing that (a) individual LVG-owned practices are more expensive than independent practices, or that (b) LVG-owned practices have a "*greater commercial focus*" resulting in higher profits.[24]

22 Vet Users Survey, Final Report, Accent for the CMA (January 2025), published 6 February 2025, page 9.

23 See e.g., Appendix C, paras 5.25-5.27, where the CMA explains why, based on the available data, it cannot compare profitability between LVGs and independent practices.

24 CMA PDR Part A, paragraphs 6.5 and 6.20.

C) Ownership is not a market feature that results in an AEC

23. The PDR suggests that "*new owners*" (i.e., LVGs) might have caused an increase in "*commercialisation*".[25] The CMA accepts that this theory is based on limited qualitative evidence from "*some vets*".[26] For this theory to hold, the new owner would need to either (a) direct the teams at the acquired practices to increase their prices, or (b) put in place measures that incentivise the existing practice teams to increase prices or change treatment practices.

24. The CMA has requested a significant volume of evidence from VetPartners (and other LVGs) to test this theory. The CMA has not found evidence of improper financial incentives,[27] or even KPIs that are unique to LVGs. VetPartners has also informed the CMA that it does not impose price increases or other changes on practices.[28] Therefore, the CMA appears to have based its view on assumptions rather than evidence. In reality, many independent practices are highly commercial, either because the individuals making decisions at a practice level have a direct financial interest in the profitability of their business, or because the business has a private owner who is not a vet. In either case, it is not clear why these businesses would act in a less commercial way than LVGs, and the CMA has provided no evidence to support its position. In fact, the wide variation in profits and also prices across LVGs and independents observed by the CMA in its analysis clearly undermines this theory.

Quality is significantly underrated in the PDR, which impacts the CMA's analysis and proposed remedies.

25. VetPartners believes that quality, in all its facets, is a key dimension of the service delivered by its practices. Quality should also be a critical element in the CMA's AEC analysis, as it is highly relevant to understanding (a) whether competition is working well in the veterinary services market, and (b) what remedies may be useful and appropriate to ensure greater transparency without causing consumer harm.

26. In the context of veterinary services, the CMA should differentiate between:

- First, assessing whether and to what extent quality improvements have been made by VetPartners (and other LVGs). This is a purely factual exercise. The CMA's evidence includes many examples of quality improvements made by VetPartners.
- Second, considering to what extent quality can be observed and compared by pet owners and by people working in the sector. In this regard, the PDR focuses only on pet owners and does not account for the role that vets and nurses play in recognising quality. Certain improvements such as the availability of more specialised equipment, training and support are valued and observed by vets and

25 CMA PDR Part A, paragraphs 6.10, 6.17, 6.18, 6.20 and 7.6.

26 CMA PDR Part A, paragraph 10.108(c).

27 CMA PDR Part A, paragraph 10.106(b).

28 See VetPartners' response to the CMA's working paper on business models, provision of veterinary advice and consumer choice of 6 February 2025 (submitted 21 March 2025), paragraph 4.5.

nurses, and VetPartners has repeatedly highlighted to the CMA the importance of attracting and retaining vets and nurses.[29]

A) The CMA has wrongly rejected the significant quality improvements made by VetPartners

27. VetPartners provided the CMA with extensive evidence of investments made to improve quality across its practices.[30] The CMA has also received evidence from other LVGs that shows investments in quality. In the PDR, the CMA does not appear to disagree with the fact that VetPartners (and other LVGs) have made significant investments to improve quality.[31] For example, the CMA finds that:

- There have been "*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*."[32]
- 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.*"[33]
- LVGs provided evidence showing investments 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.*"[34]

28. The CMA, however, places surprisingly limited weight on this evidence. VetPartners has various fundamental concerns with the CMA's assessment of the investments in quality. These will be addressed below.

29. **Increased spend on "*vet nurses and support staff*" directly improve quality** – The CMA mis-interpreted the evidence on the links between the investments made by VetPartners and improvements in quality. For example, the CMA relies on FTE data to show that LVGs hire more "*vet nurses and support staff*" (but not vets).[35] This, the CMA says, shows that FTE spend does not result in quality improvements.[36] However, the opposite is true: VetPartners has, on various occasions, explained to the CMA that vet nurses directly contribute to quality. For example, for treatments that require anaesthetics, the high-quality care would require a registered vet nurse monitoring the anaesthetics. By hiring more nurses, practices free up vets' time to ensure that vets can provide an enhanced

29 See Annex MI-03652 - Oxera technical comments on the CMA's econometrics working paper of 6 May 2025, "The impact of corporate acquisitions on treatment costs", paras 3.44-3.45.

30 See VetPartners' response to the CMA's working paper on business models, provision of veterinary advice and consumer choice of 6 February 2025 (submitted 21 March 2025), paragraph 7.14(a).

31 CMA PDR Part A, paragraph 7.83.

32 CMA PDR Part A, paragraph 7.13.

33 CMA PDR Part A, paragraph 7.14.

34 CMA PDR Part A, paragraphs 7.102.

35 CMA PDR Part A, paragraph 7.87.

36 CMA PDR Part A, paragraph 7.89.

quality of service to pet owners. The people that the CMA refers to as "*support staff*" also contribute to quality, as they ensure high quality customer service, for example, by (a) providing updates and information to pet owners on ongoing treatments, prices and other relevant information (e.g., coordinating follow-up appointments or referrals, and assisting with insurance queries), (b) assisting pet owners with consent forms, and (c) ensuring greater efficiencies in the dispensing of medicines and similar tasks. Indeed, the CMA inquiry group and case team saw this first hand when a receptionist at one of the VetPartners practices visited by the CMA in September 2024 provided an overview of her role in the practice. Therefore, increased spend on vet nurses and other support roles directly contributes to quality. It is worth noting that VetPartners is disappointed by the CMA's disregard for the important work carried out by these valued team members.

30. **Practices directly compete on quality to attract and retain vets and nurses, which indirectly benefits consumers –** Vets and nurses can - and do - observe all dimensions of quality (including clinical aspects which may be more difficult for pet owners to detect). This fact is critical to the CMA's assessment as (a) practices compete **directly** for vets and nurses, and many of them would switch practices (or not even join practices) if they did not have confidence in the quality,[37] and (b) **indirectly**, attracting and retaining high quality vets and nurses (including through training and development) ensures that practices are able to provide high quality care directly to consumers, through better clinical outcomes, and through improved client services and care.

31. **The PDR applies an unreasonable and inconsistent evidentiary standard** – The CMA has been inconsistent in placing an unreasonably high evidentiary burden on LVGs, in circumstances where the CMA's own provisional analysis is not supported by clear and compelling evidence.[38] For example:

- The PDR alleges that the CMA's review of "*LVG internal documents indicates that LVGs link price increases primarily to a restricted customer response, rather than to investments in quality*".[39] In this allegation, the CMA appears to rely heavily on "***some** internal document evidence from LVGs that link price increases to a restricted customer response*".[40] ✂.[41] ✂.[42]
- The CMA also claims that it has not seen internal documents that show "*a strong link*" between price increases and quality investments, or "*significant marketing*" from LVGs to reposition their services as offering higher quality.[43] However, VetPartners submitted more than one hundred documents demonstrating the marketing efforts of VetPartners' practices, which show the quality of the care and available treatments at these practices (e.g., case studies on successful outcomes in

37 See VetPartners' response to the CMA's working paper on the impact of corporate acquisitions on treatment costs of 6 May 2025 (submitted 23 May 2025), paragraph 1.5(a).

38 CMA PDR Part A, paragraphs 7.12(b) and 7.12(c).

39 CMA PDR Part A, paragraph 7.67.

40 CMA PDR Part A, paragraph 7.77 (emphasis added).

41 ✂.

42 ✂.

43 CMA PDR Part A, paragraph 7.12(b).

complex cases, improvements to sites and equipment), in ways that are tailored and targeted at pet owners in the local areas where these practices compete. VetPartners also informed the CMA that these are only examples from some VetPartners practices. It is disappointing that, after the significant effort made by VetPartners and its practices to provide the CMA with relevant evidence, the CMA effectively dismissed the evidence as not sufficiently "*significant*".

32. **The CMA is asking LVGs to prove the unprovable** – The PDR states that the CMA has not 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*".[44] However, it would be impossible for VetPartners to show how the investments that it has made in the acquired practices compared to what these practices would have done absent their acquisition. Firstly, practices would hardly ever document such investment plans. Secondly, VetPartners does not have access to such plans from acquired practices. Even if the practices had plans, they would not normally have been transferred or retained as part of the acquisition. To expect VetPartners to provide such evidence shows a fundamental misunderstanding of the way in which veterinary businesses, and other small businesses tend to operate.

33. **Some of the evidence requested does not exist** – The CMA is insistent on gathering documents, even though the requested documents do not exist (in the case of VetPartners). During the course of the investigation, VetPartners has repeatedly made clear that, due to VetPartners' business model (a) some of documents requested by the CMA (e.g. relating to practice-specific marketing of and investments in quality) are simply not created centrally, and (b) the documents provided are samples from the VetPartners practices that were able to provide information (especially in the limited time given by the CMA).

B) The CMA has wrongly rejected the already existing measures of quality in the market

34. VetPartners previously informed the CMA that quality in the sector can be indicated by a range of different measures, including (non-exhaustively) (a) PSS, which provides an objectively measured quality standard, (b) Google reviews, and (c) NPS that all provide further information on the quality of the services and treatments received by pet owners from individual vets and FOPs. VetPartners also informed the CMA that it uses internal quality measures, which the CMA acknowledges.[45]

35. Overall, the CMA is suggesting that (a) consumers cannot make informed decisions on some features of quality, and (b) the existing measures do not allow consumers to compare between FOPs.[46]

36. VetPartners is concerned that the CMA unreasonably rejected these existing measures, particularly without seriously contemplating any credible alternative.

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44 CMA PDR Part A, paragraph 7.12(c) and 7.67(d).

45 CMA PDR Part A, paragraph 8.43, 8.50, and 8.51.

46 CMA PDR Part A, paragraph 8.41.

37. The CMA has suggested Remedy 4 (pet owners survey to compare LVGs with independents as a group) as an alternative measure of quality, but this is problematic for multiple reasons. These will be discussed further in paragraph 131.

38. It is important that pet owners are able to compare price and quality of individual FOPs.[47] Without some indication of quality at an individual practice level, the CMA's proposed price transparency risks causing significant harm. FOPs would be pushed to compete exclusively or predominantly on price, at the expense of quality and animal welfare.

39. Therefore, VetPartners urges the CMA to reconsider its assessment of the existing measures of quality in the final report. The key measures are discussed again briefly below.

(i) PSS

40. The majority of FOPs (69% of all eligible practices) are already part of the PSS.[48] The CMA recognises the potential value of PSS as a quality mark.[49] The CMA has also noted that the RCVS is currently reviewing the PSS with the aim of introducing an improved PSS in 2026, i.e. in the short term.[50]

41. The CMA, however, raises several concerns in relation to the PSS[51]. The concerns raised by the CMA can be quickly and easily remedied and do not undermine the value of the PSS as an existing quality standard.[52] In fact, the CMA is aware that the RCVS is already addressing most of the concerns identified by the CMA.

42. None of the concerns raised by the CMA are sufficiently fundamental to warrant an outright rejection of the PSS. The CMA has also placed excessive weight on the apparent criticisms of the scheme from what may well be a small number of FOPs that have left the PSS. The CMA notes that most elements of the core PSS involve aspects of quality that practices are already required to do. However, in VetPartners' experience based on previous acquisitions, it should not be taken as given that practices outside the PSS are complying with all these obligations. The CMA also appears to be purely focused on aspects of quality that consumers can observe. This approach misses the point that in any professional services industry, there will necessarily be some aspects of quality that are very important, but which cannot be comprehensively assessed by consumers.[53] Some of

47 CMA PDR Part A, paragraphs 3.19 and 8.93(b).

48 CMA PDR Part A, paragraph 2.65.

49 CMA PDR Part A, paragraph 8.46.

50 CMA PDR Part A, paragraph 8.49.

51 PSS is rejected by the CMA as an accurate measure of quality for four main reasons: (i) the scheme is biased in favour of larger groups, given their ability to absorb administrative costs and provide central support; (ii) it has limited relevance to consumers, as consumer awareness of the scheme is very low; (iii) the scheme's focus on inputs and processes; and (iv) the voluntary nature of the scheme (CMA PDR Part A, paragraphs 8.48, 14.110, 7.81, 14.92 and Section 14 more generally).

52 For a previously submitted suggestion, see VetPartners' response to the CMA's working paper on the regulatory framework for veterinary professionals and veterinary services of 6 February 2025 (submitted 21 March 2025), paragraph 4.8.

53 The issue of the difficult to observe aspects of quality is briefly mentioned in the PDR (part A, 7.12 (a)), but appears to have been mainly ignored in the CMA's assessment of quality, where it chooses to focus only on those aspects of quality that can be perceived by consumers.

these aspects are captured within the PSS, but the CMA fails to understand their value to both pets and pet owners, by placing undue reliance on pet owners' awareness of PSS in the pet owners survey. In any event, by including mandatory adherence to the PSS in the remedies, the CMA would be able to achieve higher levels of compliance and consumer awareness.

43. In addition, the CMA appears not to have considered the risks arising out of a rejection of the PSS. Aside from the wasted costs of the planned RCVS improvements, if confirmed in the final report, the CMA's approach of mandating a survey that is financed by the LVGs may cause some FOPs to opt-out of the PSS scheme. ✂. Furthermore, given the CMA's proposals for the RCVS to monitor compliance by practices, VetPartners is concerned about the cost and burden on the RCVS as a result of the dual role of overseeing this new regime as well as the PSS. This could lead to a diminished focus on the PSS, which in turn would reduce the number of FOPs that are members of the PSS and therefore cause a deterioration in standards across the UK. Clearly, this would have an impact on the sector, which should not be ignored. The CMA should consider using the existing PSS framework to improve aspects of quality in veterinary practices (e.g. safety) alongside the new elements which result from the remedies.

(ii) NPS and Google reviews

44. The CMA recognises that there are various aspects of quality that pet owners can assess themselves. This includes 'front-of-house services'[54] and some aspects of clinical care.[55]

45. Whilst there are material differences between NPS and Google reviews, they have in common that they are both useful and reliable existing tools for assessing consumers' satisfaction levels.[56] These are well established review systems that are widely used across a large number of sectors. Importantly, they are also well-known to and trusted by pet owners.

46. The CMA has also been provided with evidence regarding the relevance of NPS by other LVGs. Indeed, the CMA relies on this evidence to show that consumers care about quality.[57]

47. Consumers will continue to submit and rely on Google reviews. Similarly, VetPartners, other LVGs and many independent practices will likely also continue using NPS, as it measures the quality of individual practices. This is something that the CMA's proposed survey (as part of Remedy 4) cannot do. See paragraphs 134-146 below for further information on why NPS would be much preferable as a standardised alternative to the CMA's proposed survey in Remedy 4.

48. Therefore, the CMA's focus in the final decision should be on identifying ways to further improve these tools. As with the PSS, the CMA's concerns with these measures can be easily remedied. They are not sufficiently fundamental to warrant a rejection of these

54 CMA PDR Part A, paragraph 8.39(b).

55 CMA PDR Part A, paragraph 8.55.

56 CMA PDR Part A, paragraph 8.71.

57 CMA PDR Part A, paragraph 8.70.

measures. For example, NPS reviews can be made more standardised and widespread, as will be discussed further in Section 3.

The CMA's assessment of competition in the supply of medicines

49. The supply of veterinary medicines has various complex features. This includes, for example, regulation aimed at ensuring animal welfare,[58] the need for clinical discretion by vets,[59] and historic practices.[60]

50. The CMA notes that information regarding the retail prices of medicines is not the only input needed before pet owners decide whether to buy online. The potential savings that pet owners could make by buying medicines online are impacted by various clinical factors (e.g. the treatment length) and the prescription or dispensing fees charged by FOPs.[61] Therefore, it is not clear that pet owners would in every case save money by buying online. However, the CMA's proposed remedies are still aimed at pushing pet owners in every case to buy medicines from online retailers.

51. The fundamental deficiency is that the CMA continues to overstate the savings that consumers can make by buying medicines online and the profitability of medicines.

A) There is no actual evidence that medicine prices at FOPs are too high

52. The PDR suggests that the prices of medicines at some FOPs may be too high, and that medicine sales are highly profitable for FOPs.[62] However, the CMA recognises that it is unable to confirm the profitability of medicine sales.[63] The PDR relies on (a) a comparison to online prices, and (b) "*an indication of the profitability of medicine sales*".[64]

53. The comparison between medicines prices at FOPs and online retailers is not meaningful. The CMA correctly recognises that online retailers may have significant economies of scale compared to FOPs and an ability to spread costs over a greater volume of sales.[65] Therefore, while some medicines may be cheaper online, the online prices of medicines cannot be used as an indication that medicines prices at FOPs are too high.

54. The CMA also does not have any comprehensive evidence regarding the profitability of the supply of medicines at FOPs. The CMA, therefore, seeks to draw conclusions based merely on what the CMA considers to be a useful "*indicator*" of profitability of medicine sales which is "*subject to limitations*" and which, as a result, does not "*reflect the 'true' mark-up on incremental costs of supplying veterinary medicines at FOPs*".[66] VetPartners

58 CMA PDR Part A, paragraph 10.25.

59 CMA PDR Part A, paragraph 4.16.

60 CMA PDR Part A, paragraph 11.13.

61 CMA PDR Part A, paragraph 11.270.

62 CMA PDR Part A, paragraph 11.12.

63 CMA PDR Part A, paragraph 11.193.

64 CMA PDR Part A, paragraph 11.192.

65 CMA PDR Part A, paragraph 11.188.

66 CMA PDR Part A, paragraphs 11.193 and 11.201. See also paragraphs 11.197 and 11.212.

has previously submitted evidence which quantifies some, but not all, of these incremental costs.[67] However, the CMA has not meaningfully engaged with this evidence.

55. Finally, for the reasons set out in **Section 2** below, the CMA's profitability analysis in Appendix C to the PDR also does not support its reasoning regarding the alleged profits generated by the sale of medicines.

B) There is no reasonable need to further boost the growth of online retailers

56. The CMA's evidence shows an increase in online sales.[68] The CMA also acknowledges that its own analysis likely underestimates the volume of online sales.[69] VetPartners has submitted evidence ✂.[70] This is consistent with the CMA's own findings that, when looking only at the medicines that the CMA accepts pet owners are likely to buy online, more than half of pet owners already use online retailers.[71]

57. The CMA's evidence shows that pet owners are already choosing to buy medicines from online retailers where it may be cheaper and more convenient to do so.[72] This is also consistent with the CMA's qualitative evidence that vets refer clients online where it is likely to be in the pet owner's interest.[73] Against this background, it would be unnecessary and disproportionate for the CMA to impose additional obligations on vets to push pet owners to buy medicines online.

SECTION 2: THE EVIDENCE IN THE PDR IS NOT CLEAR AND RELIABLE

General comments on the evidence

58. When the CMA initiated the market investigation, it was concerned with the potential existence of *"[c]oncentrated local markets, in part driven by sector consolidation, [which] might be leading to weak competition in some areas*".[74] This was evident from the CMA's focus on consolidation in the sector and on the LVG ownership model

67 See VetPartners' proactive submission on cost related to provision of prescribed medicines (submitted 30 May 2025). Incremental costs not quantified include, for example, storage and wastage costs. See VetPartners' response to CMA Working Paper on Competition in the Supply of Veterinary Medicines (submitted 21 March 2025), paragraph 6.3.

68 CMA PDR Part A, paragraphs 11.216 and 11.219. See also CMA PDR Part A, paragraphs 2.10 and 11.221, where the CMA states that "16% of pet owners who purchased medicines in the past two years" made their most recent purchase "from a 'bricks and mortar' or online pharmacy."

69 CMA PDR Part A, paragraph 11.220.

70 ✂.

71 54% for ongoing medication (CMA PDR Part A, paragraph 11.225) and oral medication (CMA PDR Part A, paragraph 11.227).

72 CMA PDR Part A, paragraphs 11.262 and 11.264.

73 CMA PDR Part A, paragraph 11.263.

74 See CMA's Issues Statement of 9 July 2024, paragraph 59.

throughout the investigation.[75] However, the PDR is clear in that none of the alleged adverse effects raised by the CMA are a result of concentration in the sector.[76]

59. What is left is a relatively small number of 'features' that the CMA considers may alone, or together, give rise to an AEC. This is of course a low standard as it does not require any fault or wrongdoing on the part of veterinary businesses. However, the remedies that the CMA is provisionally proposing would have a serious impact on the sector. The remedies would affect the investments already made and still to be made by businesses operating in the sector, they would place an added burden on the people working in the sector, and they would impact animal welfare. Therefore, it is critically important for the CMA in its final report to (a) be clear on the precise harm that it seeks to address, and (b) ensure that the remedies are necessary and effective in addressing that harm.

60. VetPartners' concern with the PDR is that the CMA's evaluation of the evidence appears to be circular in several key areas; the CMA does not have a single piece of evidence that presents clear and compelling proof of consumer harm. Instead, the CMA relies on a number of different analyses, each of which, individually, is seriously flawed and unreliable, but the CMA seeks to square the circle by saying these are "*part of a set of evidence, comprising a number of elements, that supports our provisional judgement that there is an AEC*".[77] For example:

- The CMA claims to have *strong* evidence that acquisitions by some LVGs caused an increase in average prices post-acquisition of 9%.[78]
- However, the CMA accepts that (a) at least some part of these increases can be explained by increases in quality;[79] and (b) at least some of the remaining increases can be explained by increases in costs.[80] In other words, on the CMA's own provisional findings it is impossible to determine the actual increase (after accounting for the necessary adjustments in (a) and (b) above), or even whether there is in fact such an increase. It is, therefore, surprising that the CMA would characterise this evidence as "*strong*" when the net increase is uncertain, and likely to be small.
- Nevertheless, the CMA then sets out to consider what caused these *undetermined* price increases. Here, the CMA accepts that it is not – as one might have expected – the result of market power arising out of high levels of concentration.[81] The CMA also finds low barriers to entry[82] and evidence of recent entry by a large number of

75 See CMA's Issues Statement of 9 July 2024, paragraphs 53(b) and 53(c).

76 The CMA finds that local concentration is "not widespread enough to be a driver of price increases across the sector."

77 CMA PDR Part A, paragraph 16.16.

78 CMA PDR Part A, paragraph 6.17(a).

79 CMA PDR Part A, paragraphs 7.12 and7.15.

80 CMA PDR Part A, paragraph 7.96.

81 CMA PDR Part A, paragraph 6.9.

82 CMA PDR Appendix A, paragraph 2.17.

independent practices.[83] There is also no suggestion of coordination. The CMA has not found evidence of market features related to the structure of the market or the conduct of market participants that could give rise to potential price increases.

- At this point, it would have been entirely rational for the CMA to have concluded that there is no evidence of an AEC in connection with post-acquisition price increases. However, the CMA, instead, introduces a seemingly novel theory of harm, suggesting that the undetermined price increases can be explained by what the CMA refers to as increased "*commercialisation*".[84] Based on this theory, the CMA says the potential price increases can be explained by the new owners being "*more effective at increasing profitability*"[85]. However, being effective at increasing profitability is not itself generally seen as anti-competitive. Indeed, the economic basis for competition policy relies on firms seeking to maximise profits. Furthermore, on the CMA's own evidence, the CMA has "*not identified features of the market that are specific to certain groups and their ownership status"*[86]. For example, the CMA has not found any concrete evidence of improper incentives aimed at adjusting the behaviour of FOPs post-acquisition.[87] In other words, the CMA has not identified meaningful evidence of increased "*commercialisation*".
- Accordingly, there is no clear and compelling evidence of an AEC arising out of price increases or acquisitions by LVGs.
- The evidence provided by VetPartners (and other LVGs) only strengthens this conclusion. For example, VetPartners has demonstrated to the CMA that, as a matter of fact, it does not impose price increases, either on acquired practices after acquisition or on its owned practices more generally.[88] In other words, the CMA's evidence of alleged price increases post-acquisition cannot be factually correct, in any event as far as VetPartners is concerned.

Comments on the CMA's pet owners survey

61. VetPartners notes that the CMA's provisional analysis in Part A of the PDR relies heavily on the CMA's pet owners survey. However, the PDR does not address the potential limitations in the methodology and the survey results.

62. The CMA compares the pet owners survey to other satisfaction measures in the sector, and concludes that the CMA's survey is superior.[89] This is surprising as, to make this

83 CMA PDR Part A, paragraph 2.20(f).

84 CMA PDR Part A, paragraph 6.3.

85 CMA PDR Part A, paragraph 6.20.

86 CMA PDR Part A, paragraph 6.16.

87 The CMA found in Part A PDR that "*financial incentives based on clinical KPIs, such as treatments sold, do not to seem to be a common practice"* (at paragraph 10.106(b)). There is an indirect statement about a "*perception*" (which seems a weak impression) of fee increases following "*some LVG acquisitions [that] are centrally directed*" (at paragraph 6.23). The CMA also found that there is only "*limited qualitative evidence of the pressure from KPIs, targets, guidance and IT systems affecting some vets' decision making*" (at paragraph 10.108(c)).

88 See VetPartners' response to the CMA's working paper on business models, provision of veterinary advice and consumer choice of 6 February 2025 (submitted 21 March 2025), paragraph 4.5.

89 CMA PDR Part A, paragraph 8.76.

comparison, the CMA would need to weigh the benefits and limitations of all the options, including its own survey. However, the CMA has not done this. Comparisons to consumer surveys in other sectors with more standardised and comparable services (referred to by the CMA) are also not helpful (see sub-headings B) and C) below).

63. We raise some of the main concerns regarding the CMA's pet owners survey and the interpretation of the results below. These concerns are also relevant to the CMA's proposed survey Remedy 4 which, for the reasons set out below, is fatally flawed.

A) The CMA's pet owners survey has significant limitations

64. VetPartners made extensive submissions to the CMA's consultation on the CMA pet owners survey. VetPartners cautioned the CMA that the survey proposed at the time, if unamended in its final version, would be affected by significant biases and other structural concerns. Most importantly, VetPartners submitted to the CMA that:

- The survey's structure and response options would prompt confirmations of negative views, particularly regarding LVGs on the back of the CMA's public statements and media coverage at that time.[90]
- It would be necessary to include a screening question, to identify whether respondents were aware of the CMA's market investigation.[91] This was considered necessary as it would be a material factor likely to influence the respondents' answers.

65. It is worth reiterating that, at that time, the CMA's investigation and consequent press coverage fuelled significant public anti-LVG sentiment. Nevertheless, the CMA did not make any meaningful changes to the survey design to address these concerns, despite requests from VetPartners to do so. The CMA now recognises the potential anti-LVG bias in the PDR, although it does not expressly recognise that this bias may be wholly or partially related to the CMA's market investigation and consequent media publicity.[92]

66. The PDR briefly notes the low number of participants in a footnote.[93] It confirms that only 2,376 pet owners completed the survey,[94] which is less than 5% of the pet owners invited to participate. According to the CMA's own survey guidance, full evidential weight should be given only where response rates exceed 5% or representativeness can be demonstrated. There is no evidence to suggest that in this case, the representativeness of the survey can be justified. As the Accent survey report explains, "*There are no definitive figures on how many pet owners there are (or how many visit a vet)*". Therefore, it is not clear how the CMA would have satisfied itself that the survey sample is representative of an unknown overall population of pet owners. Overall, by the CMA's

90 See VetPartners' comments on the CMA's draft consumer survey questionnaire (response date 23 September 2024), Section A, paragraph 3a.

91 See VetPartners' response to the CMA's working paper on how people purchase veterinary services of 6 February 2025 (submitted 21 March 2025), paragraph 3.1.

92 CMA PDR Part A, paragraph 7.73.

93 CMA PDR Part A, footnote 72.

94 See VetPartners' response to the CMA's working paper on how people purchase veterinary services of 6 February 2025 (submitted 21 March 2025), paragraph 3.2.

own standards, only limited reliance should be placed on these results.[95] However, rather than doing so, the CMA instead uses the survey results to defend its econometrics analysis of acquisition effects, a key element of its provisional AEC finding.

67. The PDR does not explain why the CMA considered this small number of pet owners to be a representative sample, or whether the results may be impacted by the fact that 56% of respondents had pet insurance.[96] It is further concerning that the survey report flags that participation in the London area – where a large number of FOPs are located – was even lower.[97] The low participation rate is directly relevant to the CMA's proposed survey remedy (see further at paragraph 131 below).

B) The comparison with surveys in the retail banking sector is unhelpful

68. The CMA refers to the Retail Banking Service Quality Indicator Surveys (which formed part of the package of remedies imposed in the CMA's Retail Banking Market Investigation) as an example of a survey that is "*designed to inform customer choice by providing comparisons of customer*-based *perceptions of quality across providers*."[98] However, for the reasons set out below, surveys in the banking retail sector cannot be meaningfully compared to the veterinary sector.

(i) Standardisation of service

69. Retail banking services are highly standardised, making it easy for customers to judge and compare service quality (for example, speed of service, online accessibility, and ease of mobile app experience).

70. By contrast, the quality of veterinary services is dependent on the specific veterinary professional looking after the pet and the other members of the practice team and their relationship with the pet owner and pet. Therefore, the support system that a veterinary practice offers is not easily comparable to its competitors. This means that in many cases, assessments of quality are bound-up with the personal trust-based relationship that the pet owner has with their vet.

(ii) Market structure and comparability of results

71. The banking survey applies to a limited number of large, national providers offering broadly comparable services. This allows for meaningful benchmarking and publication of rankings that are helpful and candid to consumers. Sites within a banking brand are typically homogenous.

72. By contrast, the veterinary market is highly fragmented, with thousands of individual practices varying in size, specialisation, and location. In the case of VetPartners, individual practices have a high level of autonomy.

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95 CMA (2018), 'Good practice in the design and presentation of customer survey evidence in merger cases', paragraph 4.38.

96 CMA PDR Part A, paragraph 2.18.

97 Vet Users Survey, Final Report, Accent for the CMA (January 2025), published 6 February 2025, pages 14-15 (paragraph 3.2 and figure 2).

98 CMA PDR Part A, paragraph 8.74.

C) The comparison with the NHS Friends and Family Test (FFT) points towards an enhanced NPS

73. The CMA also refers to the NHS Friends and Family Test ("**FFT**"), which is a survey that the NHS is contractually obliged to make available to patients and that measures the quality of patient experiences.

74. The FFT is not transferable to the veterinary sector, as the NHS is free at the point of use. NHS patients do not make purchasing decisions based on price-quality trade-offs, whereas veterinary customers must balance cost against perceived value on every visit to a practice. Also, although the FFT results are published nationally, NHS guidance makes clear that it is not designed to make comparison across organisations.[99] Each provider is responsible for publishing its own results locally (e.g. on practice websites), and will choose the format most appropriate to its patients.

75. In any event, the FFT is a short feedback tool designed primarily to support continuous local improvement. It consists of a single core question ("*Overall, how was your experience of our service?*") followed by optional free-text comments, with providers free to add supplementary questions. The NHS's guidance clarifies that the FFT is distinct from national patient surveys,[100] which are statistically designed to produce representative and comparable results across England. The FFT's provider-specific focus, together with its simple and standardised design (by default including only one question) make this approach conceptually closer to the NPS-style feedback mechanism (and indeed, the specific survey that VetPartners uses), rather than to the CMA's proposed national pet owners survey.

Comments on the CMA's profitability analysis

76. The CMA's profitability analysis is not well suited to the veterinary services sector, and in any event, it does not provide reliable evidence in support of any AEC. The CMA's profitability analysis is heavily impacted by the assumptions made by the CMA. However, even aside from the validity of those assumptions, the results of the CMA's profitability analysis show that the market is competitive, in that:

- There is a wide distribution of profits across LVG-owned and independent practices. This shows that more efficient companies are able to generate economic profits, while less efficient companies make low or no economic profits, and some make economic losses (and may exit the market as a result). Economic profits are not "*widespread*".
- The profits generated by the companies in the sector vary significantly across time, as profits are impacted by changes in the sector (e.g., the Covid-19 pandemic) and by competition. Economic profits are not "*sustained*".

99 See NHS England and NHS Improvement guidance: Using the Friends and Family Test to improve patient experience, page 9.

100 See NHS England and NHS Improvement guidance: Using the Friends and Family Test to improve patient experience, page 9.

77. In any event, the CMA states that "*[a] well-functioning market is not based on idealised competition so we would expect to see* ***some level of economic profits***".[101] However, the CMA does not clarify the threshold of economic profits that would align with its benchmark of a well-functioning market and it does not engage further with the concept that, in a well-functioning market, some level of economic profits could exist.

A) The CMA fails to account for variation in profitability over time

78. It is not clear what period the CMA relied on to find that economic profits are "*sustained*". The CMA noted that, while it considered the five-year analysis window to be "*appropriate*", it would "*focus"* on profitability in 2023 and 2024.[102] However, the substantive meaning of this statement is unclear, as the CMA's provisional conclusion relies on the sum of economic profits across the full five-year period.[103] Moreover, VetPartners notes that the CMA is unable to comment on whether economic profits across independent practices are "*sustained*" given that the CMA's sample only covers the period 2021–2023 (i.e. it excludes one of the two years that the CMA said it will "*focus*" on).[104]

79. The five-year analysis window selected by the CMA for assessing the profitability of LVGs does not provide a representative view of VetPartners' profitability. The short-term increase in demand and the puppy boom over the Covid-19 lockdown period caused an artificial spike in profitability in FY21 and FY22.[105] This is consistent with the trend found in the CMA's results, which shows that aggregate profitability across the six LVGs was highest in FY21 and FY22 and subsequently declined in FY23 and FY24.[106] ✂.[107]

80. The CMA acknowledges that there are "*now subdued volumes in the face of the cost-of-living crisis*".[108] However, the CMA then goes on to dismiss this fact by suggesting that flat or decreasing volumes of work do *"not mean […] that returns will* ***necessarily*** *be lower than before*" without carrying out any analysis to substantiate this assumption.[109] However, there is also no basis to suggest that any economic profits will "*necessarily*" be sustained in the face of lower volumes, in particular when considering the decreasing trend in profitability in 2023 and 2024. The CMA does not otherwise appear to comment on the pressure on profitability caused by continued increases in people costs and their likely impact on future profitability in the sector.

81. The CMA's guidelines note that *"[a]t particular points in time the profitability of some firms may exceed what might be termed the 'normal' level. There could be several reasons, including cyclical factors, transitory price or other marketing initiatives, and some firms*

101 CMA PDR Part A, paragraph 16.41 (emphasis added).

102 CMA PDR Appendix C, paragraph 2.13.

103 CMA PDR Part A, paragraph 16.42.

104 CMA PDR Appendix C, paragraph 5.10.

105 See VetPartners' response to the CMA's working paper on financial and profitability analysis dated 1 May 2025 (submitted 30 May 2025), paragraph 3.1. The CMA acknowledges that there was a "*boom in pet ownership*" after the Covid-19 pandemic. See CMA PDR Part A, paragraph 7.53.

106 CMA PDR Part A, Figure 7.1.

107 ✂.

108 CMA PDR Part A, paragraph 7.53.

109 CMA PDR Appendix C, paragraph 4.58 (emphasis added).

earning higher profits as a result of past innovation, or superior efficiency".[110] In light of the artificial spike in profitability in 2021 and 2022, the decline in profitability in 2023 and 2024 and the expected future trends in relation to volumes and people costs, the aggregate profitability over the period 2020–2024 is not representative of the expected profitability in the sector going forward. The CMA has failed to account for variation in profitability over time when drawing its conclusions on profitability and, once this wider context is taken into account, the CMA cannot reasonably conclude that the level of economic profits in the sector is "*sustained*" and thus inconsistent with a well-functioning market.

B) The CMA fails to account for the variation in profitability across LVGs and independents

82. The CMA's provisional findings on profitability are consistent with what one would expect to find in a competitive market rather than an uncompetitive market. In such a scenario of an uncompetitive market, one would expect the vast majority of the market participants to earn an unreasonable level of economic profits which is stable over time. On the contrary, as explained above, the CMA's results highlight that there is significant variation in profitability over time. Moreover, the CMA's results also show that there is significant variation in profitability across LVGs and independent practices, where a large proportion of the market do not earn economic profits. The wide variation in profitability across LVG-owned and independent FOPs, and variation over time, provide indicators that the market is well-functioning.

83. For two of the six LVGs, the CMA found that profits were not substantially above the cost of capital.[111]

84. For independents, the CMA found that:

- *"there is **a wide spread** of margins across the range [of EBIT margins for independent firms]."*[112]
- "*there is **significant variation** in performance across years with only nine (25%) of firms remaining in the same sextile throughout 2021-2023.*"[113]
- "*[s]ome 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.*"[114]

85. Given that independent firms make up 40% of the market, understanding the profitability of independent firms is important to assessing whether economic profits in the sector are "*widespread*".[115] The CMA does not specify what proportion of independent firms it

110 Competition Commission (2013), 'Guidelines for market investigations: Their role, procedures, assessment and remedies', paragraph 117.

111 CMA PDR Part A, Table 7.1.

112 CMA PDR Appendix C, paragraph 5.23 (emphasis added).

113 CMA PDR Part A, Table 7.1 and CMA PDR Appendix C, paragraph 5.23 (emphasis added).

114 CMA PDR Part A, paragraph 7.63 (emphasis added).

115 CMA PDR Part A, paragraph 16.43.

considers are making economic profits that it would not expect to see in a well-functioning market and also does not explain whether it considers that proportion to be large enough such that economic profits could be considered "*widespread*".

C) The CMA's analysis ignores that profitability across practices within an LVG may vary

86. The CMA's provisional finding of economic profits at an aggregate level across LVGs does not necessarily mean that each practice within an LVG earns economic profits.

87. The CMA must also consider potential variations in profitability across different practices owned by an LVG, when interpreting its findings. For example, ✂.[116]

88. When considering the impact of the proposed remedies, the CMA should consider that, while some LVGs may be able to cope with lower profits at an aggregate level, this may not necessarily be the case at a practice level. As a result, the CMA's proposed remedies could lead to additional site closures, reducing access to veterinary services for consumers and affecting animal welfare.

D) The CMA fails to carry out any joint sensitivities of its analysis

89. The CMA's methodology is not well suited to the veterinary services sector. Therefore, its results are highly dependent on the assumptions underpinning its analysis, in particular the assumptions on tangible and intangible asset valuations. For example, under the sensitivity analysis where the fit-out costs are increased by 25%, economic profits across the five-year period decrease from £901m to £628m.[117] In that same sensitivity analysis, the CMA's results show that there were economic losses across all LVGs in one year (2020) and also show that economic profits were declining steadily between 2022 and 2024 as ROCE was quickly approaching the cost of capital (where ROCE peaked at 20% in 2022 and declined to 14% in 2024, compared to the cost of capital of 9%).[118]

90. The CMA has not carried out any joint sensitivity analysis to estimate what the level of economic profits would be if both the intangible and tangible asset valuations were changed simultaneously.[119] Therefore, the provisional findings do not accurately disclose the level of uncertainty present in the CMA's asset valuation exercise, in particular as there may be inaccuracies in multiple aspects of the CMA's analysis.

91. The CMA should be clear that the assumptions made by the CMA have a significant impact on the CMA's results and that there is a high level of uncertainty inherent in its profitability assessment. As a result, the CMA, considering the inherent uncertainties in its analysis, should be cautious when interpreting its profitability results and it should also clarify in the final report the relative weight that it is placing on these findings.

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116 ✂.

117 CMA PDR Appendix C, Tables 4.13 and 4.15.

118 CMA PDR Appendix C, Table 4.15.

119 The CMA has previously used joint sensitivities in its profitability analysis. For example, in the mobile radio network services market investigation, the CMA carried out 'combined sensitivities' on the asset valuation and cost of capital. See CMA (2023), 'Mobile radio network services: Final Report', Table 6.3.

Comments on the CMA's econometrics analysis of the effect of acquisitions on treatment costs

92. The CMA continues to rely on its econometric analysis of the effects of acquisitions on treatment costs, despite acknowledging the methodological issues in the analysis. The PDR claims that the results of the CMA's econometric analysis show that LVGs are more expensive than independent practices, and that some LVGs increase prices at practices after acquisition. VetPartners strongly disagrees, as (a) the CMA's econometric analysis has significant methodological issues that the CMA could not adequately address, and (b) even ignoring these issues, the data shows that LVG-owned practices are not more expensive than independents in the local areas where practices compete.

93. We address each of these below, to show why it would be incorrect to suggest an AEC arising out of LVG ownership, or that pet owners could save money by switching from LVG-owned to independent practices.

A) The CMA's econometrics analysis raises significant methodological concerns, that the CMA could not adequately address, and which render the results unreliable

94. The CMA acknowledges the methodological issues in the analysis. While we recognise that the CMA has attempted to deal with these issues, it has failed to do so adequately.

95. First, and as explained above, the CMA has unreasonably discarded evidence showing quality improvements made by VetPartners in acquired practices. As explained in previous submissions and as recognised by the CMA, the CMA's analysis cannot account for the changes in quality that could explain price differences between LVGs and independents.[120]

96. Second, the CMA has failed to thoroughly assess the comparability of acquired and never-acquired practices. VetPartners and its external advisers have raised qualitative and empirical concerns on this point.[121] The CMA has not adequately addressed these concerns.[122] Therefore, the CMA's evidence on comparability does not have qualitative support and does not consider the operational factors that cause differences between non-acquired and acquired practices after acquisitions. Furthermore, the CMA is aware that the majority of the 4-year period over which the CMA compares post-acquisition

120 VetPartners' comments on the CMA's Econometrics Working Paper, "The impact of corporate acquisitions on treatment costs" of 13 December 2024, in particular the redacted version made available by the CMA to VetPartners outside the confidentiality ring on 15 January 2025, section 3(A).

121 VetPartners' comments on the CMA's Econometrics Working Paper, "The impact of corporate acquisitions on treatment costs" of 13 December 2024, in particular the redacted version made available by the CMA to VetPartners outside the confidentiality ring on 15 January 2025, section 3(B), and Oxera technical comments on the CMA's Econometrics Working Paper, "The impact of corporate acquisitions on treatment costs" of 13 December 2024, paragraph 2.21.

122 CMA PDR Appendix B, paragraphs A.48 - A.51.

outcomes with non-acquired practices encompasses the COVID years, which were abnormal years in the sector.[123]

97. Third, when using the data from Insurer 2, the price differences between LVGs and independents are significantly reduced.[124] Yet, the CMA has unreasonably elected to focus on data from Insurer 1,[125] and rejected the proposal to combine the Insurer 1 and Insurer 2 claim-level datasets to achieve broader coverage and, therefore, more robust results.[126] The CMA's reasons are not convincing. The CMA says that these insurers use different systems, which affects how invoices are aggregated into claims, which in turn can lead to biased estimates.[127] Nevertheless, the CMA acknowledges that claim submission patterns are in any event not consistent within each insurer, since the CMA observes changes in these patterns after a practice is acquired.[128] In other words, the CMA's analysis already suffers from these biases, and there is no reasonable basis to suggesting that combining the datasets would materially impact reliability. It is also notable that in another part of its analysis, where insurer data is used to assess the appropriate threshold for providing written cost estimates, the CMA does combine the Insurer 1 and Insurer 2 data into a single dataset.

B) The CMA's analysis is not a useful indicator for prices in local areas, where competition actually takes place

98. Even when taking the results from the CMA's econometric analysis at face value, it is clear that they create a risk of misleading customers about the savings they could expect to make by switching from an LVG to an independent. Analysis carried out by VetPartners' economics advisers (Oxera) shows that there is a large degree of overlap between the prices charged by LVGs and independents, measured in terms of annual average spend per pet.

99. The following charts are based on the insurer data shared by the CMA in the confidentiality ring. They show that for each set of insurer data, there is a clear overlap between LVGs and independents in terms of pricing. The charts place each FOP into a price decile, with more expensive FOPs being allocated to the higher deciles towards the right and cheaper ones on the left. As can be seen from the charts, there are many independent FOPs in the higher deciles and many LVG FOPs in the lower deciles. In fact, the charts show it is quite possible that in many cases pet owners would be switching from a cheaper LVG-owned to a more expensive independent FOP.

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123 VetPartners' comments on the CMA's Econometrics Working Paper, "The impact of corporate acquisitions on treatment costs" of 13 December 2024, in particular the redacted version made available by the CMA to VetPartners outside the confidentiality ring on 15 January 2025, paragraph 4.1.

124 Oxera technical comments on the CMA's Econometrics Working Paper, "The impact of corporate acquisitions on treatment costs" of 13 December 2024, paragraphs 2.14 - 2.17.

125 CMA PDR Appendix B, paragraphs C.61-C.63.

126 Oxera technical comments on the CMA's Econometrics Working Paper, "The impact of corporate acquisitions on treatment costs" of 13 December 2024, paragraphs 2.18 – 2.20.

127 CMA PDR Appendix B, paragraph C.63.

128 CMA PDR Appendix B, paragraph C.61.

Figure: distribution of average spend per pet at FOPs, showing a clear price overlap between independents and LVGs

[✂]

(Source: ✂)

[✂]

(Source: ✂)

C) The CMA's national analysis is not a useful guide to what customers can expect to pay in local areas, which is where competition actually takes place

100. The CMA's econometrics analysis does not assess the price differences between FOPs present in a given local market where they compete. Rather, the results (taken at face value) represent an average price difference. The CMA's econometric analysis does control for a number of factors, but the smallest geographic control used by the CMA is the relevant Local Authority in which the FOP is based. The use of averages is not reflective of the competitive dynamics between LVGs and independents in specific local markets, since there is substantial price variance across independent and LVG FOPs.

101. VetPartners' external economic advisers have used the data from the CMA's econometric analysis to compare the average spend per pet per year for all VetPartners and independent FOPs in the specific local catchments where they overlap. This analysis shows that in the vast majority of local areas (either ✂% or ✂% depending on the insurer dataset used), the average spend per pet at VetPartners-owned practices is either lower or within the range spent by customers at local independents. In other words, in the vast majority of local areas, pet owners would not be guaranteed to save money by switching to an independent practice. The analysis and the accompanying data pack are attached as ✂ and ✂ respectively.

SECTION 3: RESPONSE TO THE CMA'S REMEDIES PROVISIONALLY PROPOSED IN PART B OF THE PDR

A) General comments on the approach to remedies

102. The principles of 'reasonableness' and 'proportionality' are key to the CMA's statutory mandate in deciding on any remedies to be imposed (if an AEC were to be found).[129] Any remedies must be effective in achieving their aim, be no more onerous than necessary, be the least onerous if there are several effective remedy options and not produce disadvantages that are disproportionate.[130] Therefore:

- The remedies must be "*appropriate*"[131] in that they are effective in achieving their aim of enabling "*pet owners to choose the right vet, the right treatment, and the right way to purchase medicine – without confusion or unnecessary cost*"[132]. For example, where remedies are dependent on changes to be made by third-party PMS vendors, the CMA must confirm that such changes can be effectively implemented by the vendors, and be made available to FOPs within the timelines suggested by the CMA, while at the same time avoiding unnecessary costs. VetPartners has identified various instances where the CMA's remedies would require PMS changes that may not be realistically feasible.

- A single remedies implementation timetable for veterinary businesses regardless of their ownership model is necessary for legal certainty and effective delivery at the practice level. Any differentiation by ownership would be arbitrary and distortive, as (a) ownership is not a market feature causing an AEC, (b) the work on implementing the remedies would largely take place at the practice level, and (c) independents have in many cases access to similar central operational support as LVG-owned practices through, for example, buying groups.[133] Split timetables would add costs, confuse consumers and unjustifiably punish practice teams at LVG-owned practices.

103. VetPartners welcomes the CMA's proposal not to make use of its new powers to trial remedies.[134] We support the intention to ensure that all remedies are clear and final at the point of making the final order. The market review and investigation have had a significant impact on the sector; ✂. The sector will now require long-term certainty. Were the CMA to conduct a review in future using its regular powers, such review should be targeted and limited in scope so as to avoid causing fresh uncertainty.

104. Several proposed remedies will require not only clarity on the broad principles underlying them but also on the operational detail. The consequences of 'getting it wrong' could be severe (i.e. sanctions), costly (i.e. wastage if subsequent changes need to be made) and

129 S.138(4) Enterprise Act 2002.

130 Competition Commission (2013), 'Guidelines for market investigations: Their role, procedures, assessment and remedies', paragraph 344.

131 CMA Board Advisory Steer (23 May 2024), paragraph 12.

132 CMA summary of the PDR, message from the inquiry chair, penultimate paragraph.

133 CMA PDR Part A, paragraph 11.69.

134 CMA PDR Part B, paragraph 2.81.

not in pet owners' best interest (i.e. consumer confusion). For example, there may be practical questions whether monitor screens with rolling information in reception areas are sufficient and the required prominence of ownership information in communications. VetPartners would suggest a 'helpdesk' facility set up by the RCVS under the CMA's supervision to answer questions. Ideally, this facility should become operational as soon as reasonably practicable, even before a final order has been issued.

B) Specific comments on the proposed remedies

105. At the start of each remedy discussion, we will briefly summarise the key points of VetPartners' position. Please note that the summary is not intended to replace the full response on each remedy as that contains important information.

CMA's proposed Remedy 1: *Require businesses providing veterinary services and online pharmacies to publish information on ownership*

Summary of VetPartners' view: *Supports clear disclosure of ownership across the sector including for single-site independents. Raises concerns regarding the practical implementation and timelines, given site-level logistics. Any remedy should include a uniform implementation timetable of 12 months for all practices, and a practical RCVS helpdesk to resolve operational queries.*

106. VetPartners endorses the principle that there should be sufficient transparency around ownership of veterinary business, subject to the comments below.

107. We have some concerns that the way in which this remedy is proposed to be implemented may be disproportionate considering its aim. In the 2021 market investigation in the funerals sector, a less intrusive remedy was applied to address a very similar concern. In that investigation, the CMA stressed the importance of providing customers with clear information about the ultimate ownership of the business,[135] but the remedy merely required that funeral directors display ownership information in a clear and prominent manner at each of its branches and on its website.[136] Despite there being no obvious concerns raised about the effectiveness of that remedy, the CMA has chosen to impose a more invasive and burdensome remedy on vet practices, which explicitly requires external signage to be updated (which, as will be explained in paragraph 108 below, is the most intrusive aspect of this remedy).

108. While VetPartners would be pleased to make clear to all pet owners that its practices are proud members of VetPartners, it is concerned that doing so within the constraints of the specific CMA proposals could limit its freedom to choose the most effective and cost-efficient way. Should the CMA nevertheless be minded to proceed as proposed, it should be noted that:

- Three months from the final order is insufficient time for the implementation of changes to the external signage of practice premises. ✂. Many practices would

135 CMA Funerals Market Investigation 2021, paragraph 9.76(c).

136 CMA Funerals Market Investigation Order 2021, Section 5(1).

need up to 12 months to implement all the required changes. Therefore, the time period for implementation should be amended accordingly.

- Whilst VetPartners appreciates that the CMA does not wish to "*manage […] in detail*"[137] how this remedy is complied with, practical questions are bound to arise, for example when interpreting principles such as the need for ownership to be disclosed "*clearly and prominently*". As significant cost is involved with updating branding at individual practices, there would be substantial risks in 'getting it wrong'. Therefore, VetPartners proposes that the CMA and/or RCVS set up a 'helpdesk' facility that can be used by veterinary businesses seeking guidance when specific operational questions arise (see paragraph 104 above).

109. For the sake of consistency, VetPartners believes that all veterinary businesses, including those consisting of only one FOP, should be transparent as to their ownership. In particular, there will be instances where a single-FOP practice is not owned by a veterinary professional or is owned by a financial investor, which would be relevant information for pet owners. Without additional information about the ownership, pet owners could be confused by assuming that the owner is the vet working in the practice. Therefore, the scope of the remedy (with the exception of external signage) must be extended to include single-FOP practices if it is to be effective in addressing the CMA's concerns in this area.[138]

CMA's proposed Remedy 2a: *Require FOPs and referral centres to publish basic service information*

Summary of VetPartners' view: *Supports the objective of clear, accessible service information. Raises concerns regarding implementation, and the lack of sufficient clarity. Any remedy should include clarity on the level of detail required (e.g. qualifications published at an aggregate level with notes on whether held by permanent staff or locums) and should be flexible; it should enable the option of digital displays (e.g. reception TV screens) if preferred over hard copy materials, to avoid environmental and cost burdens. RCVS helpdesk would ensure operational questions can be answered.*

110. VetPartners believes that it is important that pet owners are provided with relevant information to help them to assess whether a FOP meets their needs.

111. Similar to the response to Remedy 1 (paragraph 108 above), VetPartners requests that the CMA and/or RCVS set up a 'helpdesk' facility that can be used by veterinary businesses seeking guidance when specific operational questions arise, for example in interpreting the requirement that "*clear, accessible information*" is published.

112. In terms of the practical implementation, we note that:

- The current proposal appears to be overly focused on hard copy materials, even though many hard copy formats are generally outdated and risk causing environmental and economic wastage. The remedy should allow for practices who

137 CMA PDR Part B, paragraph 3.17.

138 CMA PDR Part B, paragraph 3.27.

want to do so to display the relevant information on a rolling-basis on monitor screens installed in the waiting or reception areas of practices. This would also be more effective, as some practices may have 50 or more vets working across a single site and therefore a significant amount of information would need to be displayed.

- Many FOPs are currently printing materials using the standard printers available on site. Therefore, if there was any requirement for notices to be published in non-standard (e.g. A3)[139] sizes, this would add unnecessary costs and burden of compliance, as FOPs would need to acquire new printers, or outsource the printing.
- The requirement to publish qualifications should be limited to requiring that, as a minimum, FOPs publish the qualifications and the number of people holding the qualifications (e.g. 6 BSc(Hons), 3 MRCVS PgCertDen etc). In addition, FOPs should make clear whether these qualifications are held by people permanently working at the practices, or by locums and visiting or peripatetic vets. It should be noted, however, that the publication of qualification levels would not, necessarily, be meaningful to consumers, without additional consumer education by, for example, the RCVS on the relevant education levels. It would then be up to FOPs, to further personalise this information, to include the names of the relevant vets, and the background and experience in additional or existing marketing materials. In other words, this would allow FOPs to differentiate themselves by marketing their vets and recent experiences to pet owners in a way that is tailored to the FOP and its client base in the local market.

CMA's proposed Remedy 2b: *Require all FOPs, referral centres and crematoria to publish a standard price list for a defined selection of services.*

Summary of VetPartners' view: *While supporting price transparency, we believe the proposed list consists of too many items and includes insufficiently specific descriptors on those items, risking "apples vs pears" comparisons and a race to the bottom on quality. Raises further concerns around sharing price lists with price comparison websites who may strip quality context. Any remedy should be limited to a tighter list of comparable items with precise definitions and narratives on what is included. Additionally, PMS and vendor constraints will impact implementation, regardless of ownership.*

113. VetPartners does not object in principle (subject to the comments below) to this remedy. Indeed, the vast majority of VetPartners' practices already publish prices of the main services. Nevertheless, VetPartners has several fundamental practical concerns with the CMA's proposed Remedy 2b.

[139] CMA PDR Part B, paragraph 5.27.

A) The CMA's proposed list is too long and contains service and product descriptions that are insufficiently clear and comprehensive

114. VetPartners has previously explained to the CMA that the BVA's standard price list is broadly sensible, as the items on the list can be meaningfully and usefully displayed to pet owners. Pet owners should then be able to use these prices to compare practices.[140]

115. The CMA's template price list (at Table 3.1 in Part B) contains service and product descriptions that are insufficiently clear and comprehensive, and in some places misleading (in that they suggest comparability whereas that is not necessarily the case). Whilst the CMA notes its general desire for prices to include "*any products or services that are provided to all pet owners as an essential element of the treatment, such as post-surgery pain relief or a cone*",[141] VetPartners believes that the CMA's proposed list is too long and not clearly limited to 'shoppable items' that are more standard and comparable. Therefore, without comprehensive and specific descriptions within such a price list, there will be ample scope for misunderstanding. This would ultimately undermine the effectiveness of the remedy.

116. There are two aspects to VetPartners' concern:

- Pet owners would be unable to properly compare products and services offered by different FOPs. In other words, they would be presented with 'apples and pears' due to the multiple variations in the treatments that are possible (see the examples provided in paragraph 113 below).
- FOPs would have a disincentive to improve the quality of their offering, beyond the short item description on the price list. For example, if the item on the price list does not specify that the vet carrying out a procedure needs to meet certain additional qualifications[142] (i.e. above the minimum standard), it is unlikely that many FOPs would invest in ensuring that their vets have such additional qualifications. This would effectively create a 'race to the bottom' in quality terms, and would reduce future investment in quality.

117. There is also a concern that the price list is going to be very long and unwieldy once the weight and species variations have been added. This could lead to pet owners potentially being overwhelmed with a long list of prices, when in reality, at the point of choosing a practice, there would be a handful of prices they are most interested in. If a more targeted list that was not liable to multiple interpretations were supplied, consumers would be able to make informed decisions without the risk of misleading or overwhelming them.

118. VetPartners understands the CMA's thinking that, in addition to having a more targeted list of the 'shoppable items' that pet owners may consider when choosing an FOP, pet

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140 VetPartners' response to the CMA's working paper on remedies of 1 May 2025 (submitted 30 May 2025), paragraph 7.4. See the BVA price list: https://www.bva.co.uk/media/5766/bva-transparency-and-client-choice-guidance.pdf.

141 CMA PDR Part B, paragraph 3.58.

142 There are procedures that typically would be performed by a vet with further qualifications. However, there are no requirements, currently, that preclude vets performing the same or similar procedures without such qualifications.

owners may benefit from having further 'indicators' of prices for more complex treatments at FOPs. This 'additional' objective may be better served by an additional requirement for FOPs to publish the prices for these complex services in marketing materials. In other words, they could be required to publish the prices for these complex treatments, on the website where it markets these services to pet owners. That would also have the added benefit of educating pet owners on the quality of the service in combination with the prices.

B) Price comparison websites would further undermine efforts to link prices to quality

119. Furthermore, the CMA's proposal to allow price comparison websites ("**PCWs**") to use this price list information (alongside the RCVS's Find a Vet website, as per the CMA's suggestion)[143] is potentially problematic. In order to enhance the commercial attractiveness of their sites, PCWs would likely focus on comparing the headline prices, whilst underplaying or even omitting relevant details from the descriptions. This would clearly be detrimental to pet owners and their ability to make informed decisions.

C) The proposed remedy cannot be implemented as proposed and within the time provided

120. From an operational perspective, the proposed requirement that any digital booking confirmation should contain price information that is specific to the pet owner's consultations and treatments will not be practicable.[144] VetPartners uses a third-party provider, ✂, for sending booking confirmations to clients. This provider is currently unable to include individualised price information within the booking confirmations. However, using the same provider's system, VetPartners would be able to include a generic statement, drawing pet owners' attention to a link that contains the full price list within the booking confirmation. VetPartners would still question the usefulness of this remedy, as pet owners would not necessarily know which of the prices on the price list may actually be relevant to them.

121. As previously mentioned, VetPartners is essentially a heterogeneous collection of independent vet practices.[145] Consequently, prices are not standardised between practices. As far as the timing for implementation is concerned, there is no reasonable basis for distinguishing between large and small veterinary businesses, since the relevant information would need to be gathered and uploaded at a local level separately by each FOP, regardless of the ultimate owner of the FOP. A six-month period would be required across the board. Without this, those working at practices that are part of a larger group would be effectively penalised, as the bulk of the work would still need to be done at the practice level.

143 CMA PDR Part B, paragraph 3.139.

144 CMA PDR Part B, paragraph 3.65(c).

145 For example, see VetPartners' response to the CMA's working paper on financial and profitability analysis dated 1 May 2025 (submitted 30 May 2025), paragraph 2.2.

D) VetPartners' detailed comments on the proposed price list

122. VetPartners also has several comments on the detail of the proposed template price list (at Table 3.1 in Part B). VetPartners has spent significant time discussing the price list with practising vets at various FOPs and gathering their comments from a clinical perspective. VetPartners intends to separately submit to the CMA the specific feedback.

123. By way of example of two items where the proposed description in unclear:

- An entry on the list is "*ultrasound (full abdominal)*". However, it is very rare for vets to offer a 'full' abdominal scan. This would require the difficult or even impossible task of performing an ultrasound that captures the entire length of the intestine and all lymph nodes. It should be noted that most abdominal scans would be limited to the areas specifically relevant to the pet in question, and therefore a price comparison between one abdominal scan and another would be very challenging.
- Further entries on the proposed list include various consultation fees including "*first consultation*", "*repeat consultation*", "*out-of-hours consultation*" and "*nurse consultation*". These terms do not capture the possible variations present in such consultations that may affect value. For example, the price of such services will differ depending on factors such as: who carries out the consultation, the time allocated for each consultation, the time of day that OOH rates may begin to apply and the type of consultation (e.g., cardiology / dermatology / blood pressure / behaviour). As noted above, it is crucial that adequate narratives are present on the price list to explain exactly what is included at the price point displayed in services like consultations. Without this information, there is a risk of pet owners being unable to make informed decisions and compare practices on a like-for-like basis.

CMA's proposed Remedy 2c: *Require FOPs to publish prices for all preferred parasiticides.*

Summary of VetPartners' view: *Raises concern that requiring publication for "preferred" products could contravene the Veterinary Medicines Regulations on advertising. Any remedy should align with the Veterinary Medicines Regulations on advertising, and provide clarity on lawful compliance.*

124. VetPartners does not, in principle, object to the proposed remedy. However, VetPartners is concerned that publishing prices for preferred parasiticides could contravene the advertising restriction in the Veterinary Medicines Regulations 2013 (the "**VMR**"). The CMA notes that "*price lists are not considered as advertising materials as long as all products are listed with equal prominence*."[146]

125. VetPartners notes that government guidance on advertising veterinary medicines legally suggests that price lists should contain "*a list of all products in a particular category, for example, all prescription wormers*".[147] However, there is a risk that publishing prices for all **preferred** parasiticides would contravene this. Therefore, VetPartners urges the CMA

146 CMA PDR Part A, paragraph 11.106.

147 VMD (2015), 'Advertise veterinary medicines legally' guidance (accessed via GOV.UK on 28 October 2025).

to consider how this proposed remedy aligns with the advertising restrictions under the VMR.

CMA's proposed Remedy 2d: *Require FOPs to publish information about pet care plans*

Summary of VetPartners' view: *Raises concerns that downplaying or restricting savings from optional discounted services could remove real benefits to consumers and lead practices to withdraw discounts. Any remedy should mandate transparent plan disclosure and explanation of savings calculations, without restricting inclusion of optional discounts.*

126. VetPartners agrees with the principle that pet owners should be provided with the relevant information about pet care plans. However, disagrees with the CMA's assessment of the value of pet care plans. Even on the CMA's overly conservative estimates, the PDR finds that pet care plans can provide significant financial savings to pet owners when all the included services in the plan are used.[148] Therefore, there is no reasonable basis for the CMA to propose remedies related to pet care plans, particularly if the proposed remedies are likely to leave pet owners worse off.

127. For example, if the CMA were to prevent the inclusion of potential savings from discounts on optional products and services (e.g. pet food and neutering), the likely consequence would be that many practices will decide no longer to offer such discounts, which would reduce the benefits currently enjoyed by pet owners. In fact, VetPartners believes that the PDR may have already caused some practices to remove these benefits.

CMA's proposed 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.*

Summary of VetPartners' view: *Raises concerns that third-party price comparison websites may oversimplify and commoditise services by focusing on headline prices, while reducing quality as a differentiator. Any remedy should improve 'Find a Vet' with clear quality notes and descriptor narratives, whilst avoiding wholesale data sharing with third-party comparison websites that would result in the removal of information that is important to pet owners.*

128. VetPartners supports the principle of enhancing and expanding the Find a Vet platform, with the objective of making it more user-friendly and comprehensive.

129. It will be important to ensure that the presentation of the data on Find a Vet is accurate, and that all relevant information is displayed clearly on it. For example, if FOPs add notes to product descriptions to clarify certain quality measures (e.g. the presence of a qualified nurse when an anaesthetic wears off), it is crucial that pet owners can easily see those clarifying notes. Without this, a 'race to the bottom' in terms of quality is inevitable.

130. VetPartners also has potential concerns about the proposal that data may be shared with third party service providers, in particular PCWs. In particular:

[148] CMA PDR Part A, paragraph 9.10.

- It would be reasonable to expect that PCWs intend to commercialise the data by selling, for example, prominence in the results or fixed places in the rankings of results. However, this would be incompatible with the trust-based relationship between pet owners and vets. Commercial PCW operators would also be less inclined to ensure that all relevant item descriptors in the price lists are retained, potentially making it more difficult for clients to understand the qualitative differences between priced items.
- Whereas Find a Vet is operated by the RCVS and therefore is not driven by commercial motives, by contrast profit-seeking PCWs would have strong incentives to simplify the data processing and the presentation of the results. This would result in pet owners making their choices by reference to the lowest headline prices, without having regard to – or potentially even being aware of – quality differences.

CMA's proposed Remedy 4: *Require the RCVS to commission and publish the results of a group-level pet owners survey.*

Summary of VetPartners' view: *Supports giving pet owners reliable quality information, but opposes a national, group-level survey that lacks local relevance for pet owners and suffers methodological issues. Any remedy should, instead, mandate an 'Enhanced NPS' at practice level, with standardised wording, sampling and timing, and supplementary questions capturing drivers of satisfaction.*

131. VetPartners believes that pet owners should be provided with information on the quality of different practices. This will help pet owners make informed decisions when choosing a vet. VetPartners does not consider the proposed group-level survey to be an effective or proportionate remedy.

132. As explained in paragraphs 34 to 48 above, the CMA has unreasonably rejected the existing measures of quality in the sector (e.g., PSS, NPS and Google) in favor of a national survey. As discussed above (see paragraphs 64-67), and in VetPartners' extensive submissions to the CMA's consultation on the CMA pet owners survey at the time, the pet owners survey has significant biases and other structural concerns, which renders it wholly unsuitable.

133. Instead, VetPartners proposes using a Net Promoter Score (NPS) survey approach. We will explain further below why the existing NPS framework provides a better alternative, dealing with the individual concerns raised by the CMA.

A) A survey based on NPS principles would be a better solution than the CMA's pet owners survey

134. NPS surveys are carried out regularly by VetPartners, other LVGs, and some independents. In the PDR, the CMA rejects NPS as a quality measure because (i) it provides only a single, limited indicator of customer experience, (ii) its 1–10 scale is loosely defined and open to interpretation, (iii) data-collection methods vary significantly

across LVGs, and (iv) results can be manipulated by selectively surveying satisfied clients.[149] Each of these concerns is either invalid or can be easily addressed through remedy design.

(i) NPS offers a well-established feedback methodology, that can be easily enhanced to capture multi-dimensional aspects of quality

135. The NPS framework offers a well-established feedback methodology, which is widely used by organisations worldwide to gather customer feedback. Although the CMA describes it as a 'limited' indicator, the NPS in fact encapsulates a range of different factors (such as value for money, quality of service) into a single overall metric. This metric is easily understood by customers providing the feedback and by prospective customers viewing the results. In that sense it is similar in principle to the NHS Friends and Family Test (FFT) that the CMA cites in the PDR.[150]

136. The NPS framework can be easily enhanced to capture multi-dimensional aspects of quality. In addition to the core "*likelihood to recommend*" question, practices can include standardised follow-up questions capturing drivers of satisfaction (e.g. communication, clarity of information, perceived value, and clinical quality). These complementary metrics can be aggregated to form a composite index while retaining NPS's simplicity and comparability. The system therefore offers a structured yet flexible measure of quality. Although VetPartners' current NPS survey includes only the core NPS question, previous iterations have included additional questions.

(ii) NPS ensures comparability and interpretability across practices while retaining simplicity

137. The CMA's concern that the 1–10 NPS scale is loosely defined and open to interpretation can be addressed through standardised survey wording and scoring guidance. This is consistent with existing, well-established, feedback frameworks, such as the NHS Friends and Family Test that uses a ranking from "*very good*" to "*very poor*".[151] This ensures comparability and interpretability across practices while retaining simplicity. Such an enhanced NPS ("**Enhanced NPS**") would build on a well-established and operationally proven feedback framework rather than creating a novel or untested approach.

(iii) Data-collection methods can be standardised across FOPs

138. Although the CMA notes variation in how LVGs currently collect NPS data, this reflects the absence of an agreed framework rather than an inherent flaw in the measure. Under the proposed Enhanced NPS, either the CMA or the RCVS would specify common data-collection standards, including survey timing (e.g. within 48 hours of a consultation), delivery channel (email or SMS), and sampling approach (all clients or for example every three clients). This would ensure methodological consistency and auditability across all FOPs, regardless of ownership structure.

149 CMA PDR Part A, paragraph 8.71.

150 CMA PDR, Part A, paragraph 8.75.

151 See NHS Friends and Family Test.

(iv) A CMA remedy can include measures aimed at avoiding selective measuring

139. Concerns about selective surveying can be mitigated by using automated, rule-based distribution. For example, surveys would be triggered automatically for all appointments by the PMS, removing discretion over which clients are surveyed. Response patterns can also be monitored centrally to flag irregularities. This ensures the integrity of the dataset. Finally, the CMA could use its remedy powers to ensure that there would be appropriate sanctions on market participants that attempted to undermine the remedy by manipulating the results.

B) Why Enhanced NPS is superior: capturing local variation where competition actually occurs

140. The CMA proposes a survey that would "*measure perception of quality and cost across LVGs and independent practices (as a cohort)" with "group-level comparison to help pet owners understand how different ownership models are perceived*".[152] This approach fundamentally misunderstands where competition in the veterinary services market occurs and what information pet owners actually need to make informed decisions.

141. The CMA's own evidence shows that competition is local.[153] The CMA explicitly acknowledges "*for almost all pet owners, choice of FOP occurs on a local basis and is limited to those providers that are easily accessible*".[154] However, the proposed remedy provides only national, group-level information on perceived quality that tells pet owners nothing of value about the specific local practices they can choose between.

142. The PDR states that "*while there may be some variation in customer satisfaction between FOPs within LVGs, their common ownership and control means satisfaction is likely to be correlated in line with shared business practices*".[155] This unsubstantiated assumption contradicts the CMA's own findings about practice autonomy. Indeed, VetPartners' evidence demonstrates that "*practices have a high degree of autonomy*".[156]

143. The CMA's own survey results show that customer feedback varies significantly between regions. For example, the proportion of customers unsatisfied by the care given to their pet varies from 2% in one region to 15% in another region[157], while the proportion that are satisfied with the level of information or advice given varies between 76% and 91% depending on the specific region. [158] This high degree of variation, even when the data is smoothed using aggregation by region, demonstrates the limited value of a national survey to a consumer trying to make a choice at the local level.

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152 CMA PDR Part B, page 81 (Remedy 4).

153 CMA PDR Part A, paragraph 4.38.

154 CMA PDR Appendix F, paragraph 1.4.

155 CMA PDR Part B, paragraph 3.249.

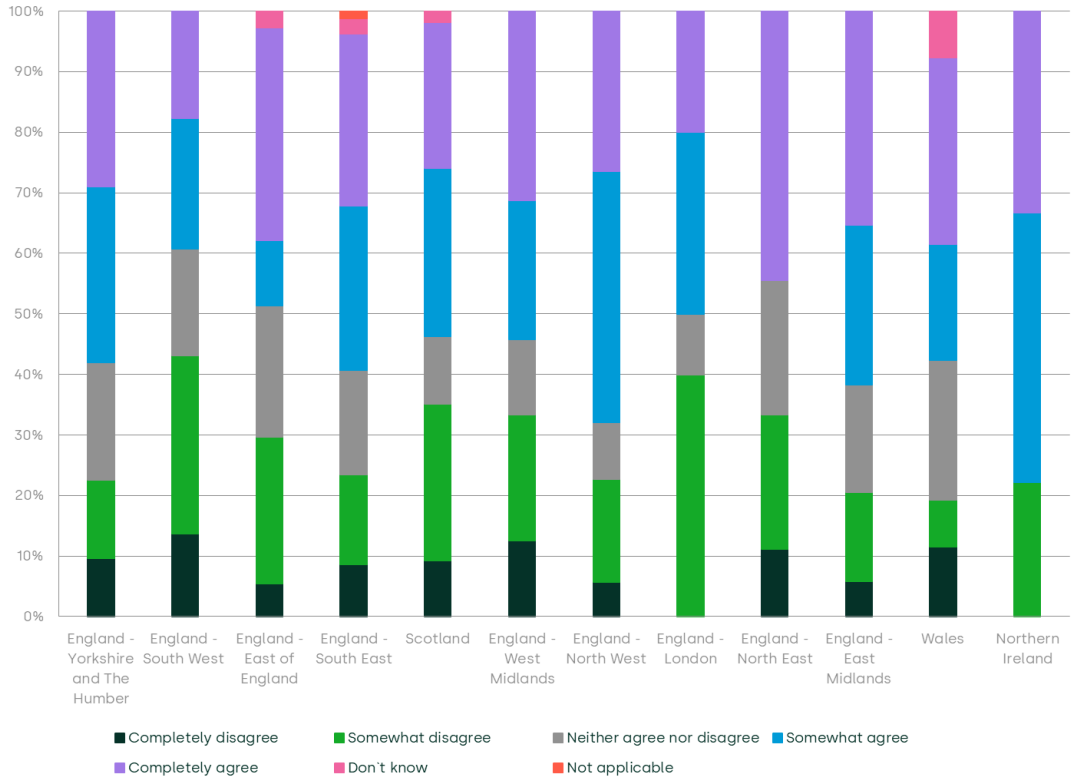
156 CMA PDR Appendix F, paragraph 3.4(b).

157 *CMA's pet owner survey results by region and urban/rural classification. Question 55br2*

158 *CMA's pet owner survey results by region and urban/rural classification. Question 55br1*

144. Going beyond these cuts of data that are presented in the PDR, the underlying survey data provided by the CMA makes it possible to consider the variation in responses within a single LVG or within independents as a group. For the CMA's survey remedy to provide useful information to customers when choosing a local vet, the results for each LVG, and for independents as a group, would need to be largely consistent across practices. Taking ✂ as an example, the data shows significant differences in customer responses to a key question about value for money, even when the responses are smoothed by aggregating them to the regional level. The data provided by the CMA does not allow disaggregation of the results to a practice or FOP level, but it is reasonable to assume that the clear differences already visible between regions would be even greater at practice level. As noted above, this suggests that the CMA's proposed survey remedy, which would be modelled on its existing survey design, would not provide any useable information to customers at a local level.

Figure: Regional distribution of ✂ customer responses to CMA fair pricing survey question



Note: Responses to Question 36r2 of the CMA's pet owner survey, which asks the extent to which respondents agree with the following statement: "I trust my vet practice to offer the fairest prices for pet treatment"

(Source: Oxera analysis of CMA pet owners survey data.)

145. The CMA may be concerned that surveying customers through automated follow-up emails will lead to a non-representative sample of customers, for example if certain groups of customers have a higher propensity than others to engage with the survey. However, this potential limitation is more than outweighed by two important factors.

- First, Enhanced NPS surveys would reflect the actual customer experience at a particular practice rather than a national average, which as explained above, is likely to be at best pointless and at worst actively misleading for customers trying to choose a local vet.
- Second, Enhanced NPS survey responses would be provided by pet owners shortly after their visit to the vet. This would lead to improved recall compared to the CMA's proposal, which could potentially survey customers nearly two years after their visit. A significant gap between the visit to the vet practice and the survey would likely lead to serious issues with recall and accuracy, further reducing the value of the survey.

146. Finally, the CMA's pet owners survey achieved a lower than 5% response rate to its survey (2,376 respondents), which is below its own threshold for attaching full evidential weight to survey results. The proposed remedy appears to offer no mechanism to improve this — it simply proposes repeating the same approach biannually. The Enhanced NPS could use either universal sampling (surveys sent to all customers post-service) or systematic random sampling (algorithmic selection, such as every third customer). This would enable the survey to reach a much larger number of customers. ✂.[159] This suggests that an Enhanced NPS framework can yield a sample size far exceeding that achieved by the CMA's pet owners survey.

C) Final comment on Remedy 4: avoid anti-LVG bias in any survey

147. If the CMA were to proceed with its intention to conduct a national pet owners survey (despite the concerns raised above), it would in any event be necessary to delay the start of such survey until at least 18 months have passed since the final order. This would need to be done to avoid any anti-LVG bias resulting from the CMA investigation (and consequential coverage in traditional and social media) skewing the results. By contrast, the same restriction would not apply if the Enhanced NPS framework were rolled out for all practices.

CMA's proposed Remedy 5a: Written estimates for higher cost treatment options

Summary of VetPartners' view: *Supports meaningful estimates that will not overburden vets or reduce clinical care. Any remedy should require written estimates when (i) a diagnosis has been made with reasonable certainty and, on that basis, the recommended and discussed treatment would be expected to exceed £1,400, or (ii) where a diagnosis has not yet been made, and the next clinical step or clinical pathway ahead that is part of the treatment plan is expected to exceed £1,400.*

148. VetPartners supports the principle that, where reasonably possible pet, owners should be provided with a realistic indication of the expected cost ahead of their pet's treatment. Indeed, we have previously explained to the CMA that our practices already provide clients with cost estimates once a diagnosis has been made. In addition, practices tend to ask pet owners to sign consent forms, indicating that they have been provided with a cost

159 ✂.

estimate and that they agree to proceed with the treatment.[160] VetPartners understands that the CMA's intention is to ensure that pet owners get access to the relevant pricing information at an earlier stage in the process.

149. It seems clear that some pet owners have had negative experiences with surprises about high bills after the treatment has happened. In our internal training activities, we try to make sure these situations to do not happen in our practices. However, it is worth reflecting more generally on why these surprises might have happened, and seeing whether similar situations can be avoided by imposing a more targeted and proportionate remedy (compared to the current proposal). For example, it is possible that a sub-set of vets is not currently providing estimates in accordance with the RCVS Code, and these instances may not be picked up as these vets are not members of the PSS (and therefore not subject to PSS inspections). Making PSS mandatory (and enhancing it) would help. It is also possible that unfortunate surprises occur in situations where a pet presents a complex case profile, and a large bill was genuinely not reasonably foreseeable at the point the treatment path started. The RCVS could do more on informing and educating pet owners (for example, in the form of 'how to get the best from your vet' materials and social media posts). This would empower pet owners to be comfortable raising cost-related questions and also making tough decisions without any sense of guilt.

150. Prior to a diagnosis being made, there are a large number of factors that may affect the possible cost of treatment, and many of these will be unknown to the vet at that time. To avoid overloading pet owners with information, which in many cases may not be accurate or helpful, VetPartners believes that mandating a written estimate only above a certain threshold once a diagnosis has been made with reasonable certainty is the most helpful approach for both vets and pet owners (see paragraph 165 below for further detail).

151. VetPartners previously explained to the CMA that the addition of a requirement for *written* costs estimates would place a disproportionate administrative burden on vets, without delivering any meaningful benefit to pet owners.[161] In fact, it would likely result in reduced levels of clinical care and face time spent with pet owners, as vets and nurses would be required to spend more time on administrative tasks.[162]

152. The CMA recognises that vets "*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*."[163] The CMA also notes that "*[t]he appropriate treatment will depend on the diagnosis and can cover a* ***large range of clinical actions and prices***."[164]

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160 VetPartners' response to the CMA's questions of 13 September 2023 (RFI 1) (submitted 11 October 2023), paragraph 14.1.

161 VetPartners' response to the CMA's s.174 notice of 11 April 2025 (RFI 17) (submitted 9 May 2025), paragraphs 19.1 and 19.2.

162 VetPartners' response to the CMA's s.174 notice of 11 April 2025 (RFI 17) (submitted 9 May 2025), paragraph 19.2. See also VetPartners' response to the CMA's remedies working paper of 1 May 2025 (submitted 30 May 2025), paragraph 3.2.

163 CMA PDR Part A, paragraph 3.24 (emphasis added).

164 CMA PDR Part B, paragraph 4.7 (emphasis added).

153. Nevertheless, the proposed Remedy 5A does not yet fully address these practical concerns. In our response, we will focus on (a) the RCVS Code of Professional Conduct (the "**RCVS Code**"), (b) the threshold amount (where VetPartners believes £500 is significantly too low), (c) the scope of the proposed remedy (where VetPartners believes the scope suggested by the CMA is unfeasibly broad), (d) the role of diagnostics tests, and (e) VetPartners' proposed alternative to the CMA's proposed remedy.

A) The RCVS Code

154. VetPartners notes that, under the RCVS Code,[165] vets are already required to provide an initial cost estimate of an anticipated treatment. VetPartners practices already adhere to this; when a treatment regime is being considered during a consultation, the client will be provided with a cost estimate for the various available options, in order for the client to make a decision.

155. VetPartners believes that ensuring compliance with this aspect of the RCVS Code through binding rules that would be subject to targeted and effective enforcement would be the most effective method of ensuring that pet owners are provided with a realistic estimate of the cost of their pet's potential treatment, without the risk of overburdening FOPs with a strict and formalistic requirement for written estimates.

B) The proposed monetary threshold is significantly too low

156. The CMA has provisionally proposed a monetary threshold of £500, based on the CMA's calculation of the proportion of insurance claims that would have required a written estimate if this threshold was applied. The CMA finds that a written estimate would have been required in 20% of cases, based on 2023 data.[166]

157. However, this calculation appears to underestimate the true share of affected cases. VetPartners' economic advisers replicated the CMA's analysis using the Insurer 2 insurance dataset[167] and applied the aggregation method described in the CMA's own Econometrics Working Paper, i.e. grouping all claims relating to the same pet and

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165 RCVS Code of Professional Conduct, paragraph 9.10.

166 CMA PDR Part B, paragraph 4.31.

167 The CMA constructed the *first-year treatment cost* variable only for the Insurer 2 insurance dataset. The CMA did not construct this variable for the other insurance datasets and its approach cannot be easily replicated. Therefore, while the CMA used both Insurer 1 and Insurer 2 claims datasets to derive the £500 threshold that covers 20% of the claims in 2023, VetPartners' advisers relied solely on Insurer 2 data, as it is the only dataset containing the *first-year treatment cost* variable. Based on the first-year treatment cost variable, the cost above which 20% of first-year treatments are covered is £✂. The PDR sets out that the threshold applies to the total reasonably foreseeable cost of any treatment recommended by a vet, which explicitly includes treatments provided through referrals centres. The CMA clarifies that "*Where the Treatment Option would be provided at an external referral provider or other location (an external referral), and the veterinary business can reasonably foresee that the cost would be £500 or more, the estimate would need to say so and provide a reasonable indication of what the Treatment Option would typically be expected to cost".* (CMA, PDR, Part B, paragraph 4.3). On this basis, first-year treatment costs at referral centres have also been included in the estimate of the proposed threshold to ensure that it captures the full cost pet owners face when following their vet's treatment recommendations. This reflects that the decision to pursue a referral, and its associated cost, originates from advice given at the first opinion practice.

condition over a one-year period (the "*first-year treatment cost*" variable).[168] This approach better reflects the total cost of a treatment episode, as multiple insurance claims can arise in the course of managing a single condition. This is in line with the CMA's remedies proposal that the cost estimate should include, "*ancillary or associated matters, such as medicines and anaesthetics, diagnostic tests, pre- or post-operative care, follow up or routine visits*".[169] When this more accurate aggregation is applied, the share of cases with treatment costs above £500 (and thus requiring a written estimate in the CMA's proposal) increases from 20% to 55% using 2023 data. This would clearly be disproportionate.

158. Using the CMA's own data and 20% threshold, VetPartners' advisers' analysis shows that the threshold should be increased to at least £1,400. The accompanying data pack is provided as ✂.

C) The scope of the proposed remedy is too wide

159. Even if the monetary threshold were increased to £1,400, written estimates would be required in well over 20% of cases. This is as the CMA's calculations are based on *actual* spend, whereas, the CMA's proposed remedy would require vets to estimate the potential treatment cost *ahead* of diagnostics and treatment. There will inevitably be cases where an outcome of the diagnostic will be that either no treatment or a cheaper treatment is needed. These cases appear in the insurer data with an actual cost of less than the threshold amount, but they would require a written estimate under the CMA's proposed remedy.

160. The CMA's proposed "*reasonable foreseeability*" standard to decide whether the monetary threshold amount is exceeded will not be workable in practice. First, this is essentially a criterion taken from a specific legal context (i.e. tort law), and VetPartners expects that many vets would not be well placed to form a view. Second, it would inevitably introduce a large degree of subjectivity, rendering any attempt by pet owners to compare two written estimates futile. Third, given the potentially severe consequences of getting this wrong, the expectation is that vets will provide written estimates on a cautionary basis even where there is no real need.

D) The role of the diagnostic tests

161. The CMA's approach requires written estimates to be provided before diagnostic tests are conducted, where treatment options contingent on diagnostic outcomes could foreseeably cost £500 or more.[170] However, this approach fails to recognise that diagnostic tests themselves are typically low-cost procedures. Analysis of 2023 insurance data suggests that:[171]

- ✂% of diagnostic tests cost £100 or less.

168 CMA's Econometrics Working Paper, "The impact of corporate acquisitions on treatment costs" of 6 May 2025, in particular the redacted version made available by the CMA to VetPartners outside the confidentiality ring on 14 August 2025, paragraph 1.5.

169 CMA PDR Part B, paragraph 4.2.

170 CMA PDR Part B, paragraphs 4.17-4.18.

171 VetPartners' economic advisers (Oxera) analysis of the distribution of diagnostic tests' prices using ✂.

- A further ✂% cost between £101-£200; and
- Less than ✂% exceed £500, and less than ✂% exceed £1,400.

162. This analysis confirms that the vast majority of diagnostic tests are predominantly routine, essential procedures that form the foundation of veterinary diagnosis. For example, at the lower end of the range (£0–50), blood tests account for more than half of all diagnostics (✂%), followed by urine tests (✂%) and haematology tests (✂%)—basic laboratory procedures that vets routinely rely on for initial assessments.

163. High-cost diagnostic tests are extremely uncommon. Tests priced between £500 and £1000 account for less than ✂% of all diagnostics, and those above £1,000 represent just over ✂%. The exceptional nature and rarity of these expensive diagnostics suggests they represent a tiny fraction of diagnostic activity, with the vast majority of diagnostic work consisting of affordable, routine procedures essential for determining appropriate treatment.

164. Given the modest cost of the vast majority of diagnostic tests, they do not present a prohibitive barrier to obtaining care. Requiring elaborate contingent multi-scenario written estimates before diagnostics would be wholly disproportionate, impractical, and ultimately not useful for pet owners.[172] The CMA's concern that pet owners "*may be unable to afford the operation and should be able to assess the costs they could face so they can make an informed choice even to go ahead with the diagnostic tests*"[173] does not justify the administrative burden of requiring vets to produce written estimates covering multiple contingent treatment pathways before conducting diagnostics. The CMA's approach would require vets to provide "*an estimate of the typical price of the recommended diagnostic test and the typical price of the contingent outcomes*" - meaning written estimates for several potential scenarios depending on what the diagnostic reveals.[174]

E) VetPartners' workable alternative to the CMA's proposed remedy.

165. Instead, in order for this remedy to be reasonably workable, the CMA would need to ensure that:

- The threshold is increased to <u>at least</u> £1,400 (as explained above); and
- The scope of the remedy is amended to ensure that, in principle, the obligation to provide a written estimate applies when (i) a diagnosis has been made with reasonable certainty and, on that basis, the recommended and discussed treatment would be expected to exceed the monetary threshold, or (ii) where a diagnosis has not yet been made, and the next clinical step or clinical pathway ahead that is part of the treatment plan is expected to exceed the monetary threshold.

166. The advantages of this approach are that (i) any diagnostic test (or alternatives treatments) will have been carried out which removes many contingencies which otherwise make it

172 CMA PDR Part B, paragraphs 4.17-4.18.

173 CMA PDR Part B, paragraph 4.18.

174 CMA PDR Part B, footnote 170.

virtually impossible to provide a meaningful estimate, (ii) the requirement for reasonable certainty of a treatment that is expected to exceed the threshold, mitigates the risk of vets providing written estimates purely on a precautionary basis (which would risk overwhelming pet owners), and (iii) vets would not need to provide written estimates for multiple hypothetical scenarios, but only for the actual and relevant treatment pathway that is identified post-diagnosis, reducing any unnecessary administrative burden as well as the risk of overwhelming owners. In most cases, this means that vets would be required to provide a written estimate for a single treatment option, or several options as part of a treatment plan, in a steps-based plan that has been discussed with the owner when there is more certainty. However, if the owner is realistically considering more than one treatment option, written estimates can be provided for these options on request. Many vets already provide a verbal range of options and estimates for scenarios where the current treatment plan may not be working. We would encourage these conversations to continue (and indeed for them not to be discouraged by a CMA remedy).

167. As mentioned above, the fact that ✂% of diagnostics cost £200 or less means that allowing diagnostics to proceed before requiring written estimates does not expose pet owners to significant unbudgeted costs. This approach balances consumer protection with practical workability, ensuring written estimates are provided when they are most meaningful – after diagnosis – while not exposing pet owners to prohibitive costs beforehand.

CMA's proposed Remedy 5b: *Itemised billing*

Summary of VetPartners' view: *Supports itemised billing. Fixed-price procedures should not require itemisation by individual components.*

168. VetPartners supports the CMA's proposed remedy relating to itemised billing. Indeed, most VetPartners practices already operate on this basis.

169. It is worth noting that some practices offer certain procedures on a 'fixed price' basis. Tibial-plateau-levelling osteotomy (TPLO) procedures are a typical example. In these cases, it should be clear that the itemised bill may show a single item, rather needing to display the various component parts. This would need to be covered off when defining the concept of 'itemised bill'. In doing so, the CMA would also need to confirm whether the proposed remedy could be easily implemented across most of the currently available PMSs.

170. Given the practical considerations regarding PMS functionalities mentioned above, VetPartners is also concerned that the proposed period for implementation (three months) would not be sufficient.

CMA's proposed Remedy 6: *Ensuring vets and vet nurses can offer a range of treatment options*

Summary of VetPartners' view: *Supports measures ensuring vets and veterinary nurses can offer a clinically appropriate range of treatment options.*

171. VetPartners supports the CMA's proposed remedy, and has no further comments on it.

CMA's proposed 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.*

Summary of VetPartners' view: *Demonstrates that blanket claims of medicines being "often significantly cheaper online" are inaccurate in many cases. Having to give pet owners this message would risk misleading pet owners, and also add unnecessary burden by mandating inclusion in all emails and texts. An RCVS list of online pharmacies has the potential to distort competition, depending on how it is implemented. Any remedy should (a) require balanced signposting that owners may choose to source medicines elsewhere and should check prices, (b) avoid blanket "significantly cheaper" assertions, (c) limit mandated communications to key touchpoints, and (d) ensure any RCVS list avoids bias and is practical to maintain.*

172. As set out in paragraph 53 above, there is no reasonable basis for the proposition that competition is not working effectively between FOPs and third-party medicine retailers. This is particularly true in the context of the "*non-urgent and repeat*" medication sales, which appear to be the focus of the CMA's proposed remedies.[175] Against this background, some of the proposed medicine-related remedies are not proportionate, in particular in so far as they seek to place further onerous administrative burdens on FOPs. These will be discussed in further detail below.

173. The CMA's qualitative research confirmed that vets are already informing pet owners of the ability to buy medicines online where it may be in the financial interest of pet owners to do.[176] This is important to note, as it contradicts the CMA's suggestion that the additional measures proposed as part of Remedy 7 are necessary and warranted based on the commercial interests of FOPs.[177]

174. VetPartners does not object in principle to the CMA's proposal to further strengthen the existing obligation on FOPs to inform pet owners of the ability to buy medicines elsewhere. However, the CMA's proposals go beyond what is necessary in that:

    - First, it would be disproportionate to impose additional obligations on FOPs to inform pet owners that medicines are "*often available significantly cheaper online*".[178] This is as:

175 CMA PDR Part B, paragraph 5.3.

176 CMA PDR Part A, paragraph 11.263.

177 CMA PDR Part B, paragraph 5.11.

178 CMA PDR Part B, paragraph 5.40.

- The provisional findings show that the potential savings available to pet owners are dependent on a range of factors, and indeed that savings may not be available in all cases.[179]
- The CMA's analysis of the potential percentage savings is based on a case study using data from only two LVGs. The CMA has not shown how these two LVGs are representative of all LVGs, and therefore how results can be used to draw conclusions about purchasing medicines at other FOPs.
- The remedy is not designed to be flexible or time limited. As a result of the combination of remedies proposed by the CMA, some FOPs may further reduce the prices of some medicines to more effectively compete with online retailers. That would mean that FOPs are obliged to include this statement, even when they know it to be factually incorrect in their case. That would clearly not be beneficial to pet owners (and would undermine the trust-based relationship that vets and pet owners have).
- Pet owners value the service and convenience of FOPs. The findings in the PDR show that pet owners are more likely to choose to buy medicines from online retailers for repeat prescriptions.[180] These repeat cases are also where savings are more likely to be relevant. Therefore, this Remedy 7 is effectively aimed only at the limited number of residual cases where pet owners (a) do not value the service and convenience provided by FOPs, and (b) are likely to save money by obtaining a prescription and buying medicines online. The CMA's proposed Remedy 10 is aimed at dealing with repeat prescriptions and is more targeted and proportionate (subject to the comments relating to remedy design made in paragraphs 185 to 188 below).
- Therefore, for the proposed remedy to be workable, and effective over time, it should be limited to informing pet owners that they have an opportunity to do their own research. They do not need to be further "*motivated*" as suggested by the CMA.[181] The requirement to include the statement proposed by the CMA would go beyond what can reasonably be expected in any consumer protection remedy.

- Second, it would not be reasonable and practical to include this information in "*any email and/or text communication*". This requirement is excessive and would add little value to pet owners. Further, email and text communications are mainly automated, and limited by word count. Therefore, the implementation would be challenging for operational and practical reasons. It cannot be reasonably justified in combination with the already extensive additional publication requirements included in the remaining elements of Remedy 7, and in Remedy 10.
- Third, the CMA's proposal for the RCVS to collate and publish a list of online pharmacies authorised by the VMD has the potential to distort the market for online

179 CMA PDR Part A, paragraph 11.272.

180 CMA PDR Part A, paragraphs 11.19 – 11.22.

181 CMA PDR Part B, paragraph 5.13.

medicine sales.[182] For example, assuming that the retailers are listed in alphabetical order, VetUK would only feature much lower down the list. Therefore, VetUK would be placed at a competitive disadvantage. Alternatively, it could result in retailers changing their names or operating under multiple names, to secure higher rankings. In addition, there would be no way to ensure that the list is accurate or reliable on an ongoing basis, particularly as there is no requirement to ensure that the costs and delivery times are accurate and up to date. Further, the RCVS would need to verify the accuracy of the information provided.

CMA's proposed Remedy 8: *Measures to reduce barriers to pet owners purchasing online*

Summary of VetPartners' view: *Raises concern regarding implementation due to PMS capabilities, operational workloads. Any remedy should (a) permit digital prescriptions and direct-to-pharmacy transmission where policies require, (b) preserve batching efficiencies, (c) exclude OOH settings, and (d) ensure timelines reflect operational and PMS realities.*

175. VetPartners is in principle supportive of the CMA's proposed Remedy 8. Pet owners who request written prescriptions should be able to receive these prescriptions as soon as reasonably practicable, and without them needing to incur unnecessary additional time and cost.

176. VetPartners also welcomes the CMA's recognition that Remedy 8 would not deprive FOPs of the efficiencies gained by allowing vets to batch digital prescriptions at a set time of day.[183]

177. We informed the CMA previously that vets are already stretched, and are working overtime to complete clinical notes and other administrative tasks.[184] Most of the PMSs used by FOPs also do not currently have the capabilities to send prescriptions directly in digital form to clients. FOPs would need to manually scan and email prescriptions to clients, which is time consuming.

178. Some FOPs might need to increase consultation times or employ additional people to meet the timing requirements of Remedy 8. These prescription-related costs would likely need to be recovered by FOPs. However, the CMA's proposed prescription price cap would limit the ability for FOPs to do so. As mentioned in paragraph 199 below, if FOPs are not able to fully recover the costs of issued prescriptions through the prescription fee, FOPs could feel compelled to recover the costs in other ways.

179. In order to improve efficiency and reduce instances of potential fraud, some FOPs are already sending prescriptions directly to the pet owner's preferred online pharmacy. Therefore, the proposed remedy should be broad enough to allow FOPs to continue to do so.

182 CMA PDR Part B, paragraph 5.20.

183 CMA PDR Part B, paragraph 5.62.

184 See VetPartners' response to the CMA's working paper on remedies of 1 May 2025 (submitted 30 May 2025), paragraph 7.14.

180. Certain FOPs will have developed a practice of only issuing prescriptions in digital format (whether sent to the pet owner or to the pharmacy). In these instances, it should be clear that the pet owner should not be able to insist on receiving a hard copy prescription as a result of this remedy. Similarly, if practices have a policy of insisting on them sending a digital copy directly to the pharmacy (chosen by the pet owner) rather than to the pet owner (for fraud prevention reasons), they should be permitted to continue doing so. This would need to be reflected in any remedy.

181. Finally, the remedy should be limited in scope, so as not to apply to OOH settings.

CMA's proposed Remedy 9: *Own brand medication*

Summary of VetPartners' view: *Supports clear labelling of active ingredients and the availability of branded equivalents, with appropriate disclosure on packaging and invoices and verbal explanation where relevant. No significant concerns identified.*

182. VetPartners supports the CMA's proposed remedy, and has no further comments.

CMA's proposed Remedy 10: *Choice of default for repeat prescriptions*

Summary of VetPartners' view: *Opposes a single default that may produce unwanted written prescriptions and lead to reduced client dissatisfaction from unsolicited mass communications. Concerned that the proposed remedy requires rigid PMS recording requirements, that may not be supported. Any remedy should be limited to the provision of standard literature when pet owners i) join the practice, ii) request information, and iii) receive a repeat prescription, with preferences recorded in the clinical note).*

183. The CMA's proposed Remedy 10 appears to start from the misguided assumption that FOPs aim to deliberately keep the sale of medicines at their FOP. The PDR does not contain any evidence in support of this assumption. In fact, the evidence in the PDR points in the opposite direction.[185] Again, this must be borne in mind to ensure that, if an AEC were to arise in this regard, Remedy 10 would be designed in a way that is reasonable and proportionate.

184. We will discuss the practical design concerns below.

185. First, the requirement to send unsolicited communications to *all* registered customers is overly broad. It would risk having a material adverse effect on client satisfaction levels, as such communications would not be sufficiently targeted and therefore would be considered a 'nuisance' by pet owners. For Remedy 10 to be proportionate, any mandatory communication should be limited to providing standardised literature to pet owners (a) when they join the practice, (b) when they request the information, and (c) when they are provided with a repeat prescription. These repeat prescriptions are 'non-urgent' and the pet owner is likely to have had – and indeed will continue to have – sufficient time to consider the available options. There can be no concern regarding the pet owner's ability to carefully consider all options when making a decision at that point. In addition, the

[185] CMA PDR Part A, paragraph 11.263.

FOP's communication should make clear that the pet owner can, at any time, contact the FOP to update their preference.

186. Second, VetPartners informed the CMA that many FOPs, ✂, use a substantial number of different PMSs, with varying capabilities.[186] FOPs also do not have control over the functionality of these PMSs, contrary to what the CMA seems to suggest.[187] Therefore, it would not necessarily be possible to include a requirement for pet owners' options to be recorded in the PMSs. It would be sufficient for this information (i.e. the pet owner's choice) to be recorded in the clinical notes when the medication was last prescribed. Therefore, the repeat prescription could be dealt with in the same way.

187. Third, it would not be reasonably possible for many FOPs to annually provide a comprehensive report to the RCVS on (a) the proportion of clients selecting default prescriptions, and (b) the reasons for any exceptions to the client's default selection.[188] These FOPs would simply not have a PMS with the necessary capability to systematically record and report this information.

188. Fourth, the requirements for FOPs to inform pet owners of the ability to set their default option, and to record pet owners' selected option already ensure that pet owners are aware of the options available to them and that they can make informed decisions. Therefore, these requirements, in combination with Remedy 7, would sufficiently address the concerns raised in the PDR. There is no basis to go further, by imposing a default option that may lead to FOPs providing written prescriptions where they are not desired by the pet owner. Doing so would introduce wasted costs without any additional consumer benefit in such instances.

CMA's proposed Remedy 11: *Prescription price cap*

Summary of VetPartners' view*: A prescription price cap cannot be reasonably justified, in light of the expected transparency measures that will discipline fees for a standardised service like prescriptions. The proposed price cap is unreasonable as the level is too low to enable cost recovery. VetPartners also opposes the required ancillary rules on prescription duration that could interfere with clinical discretion and risk harm. The remedy should be abandoned. If a prescription fee price cap were nevertheless to be imposed, it must be calibrated by credible cost evidence and include a 'sunset' review to avoid distortions.*

189. As outlined above, the CMA is legally bound to ensure that any proposed remedy is effective, no more onerous than necessary, the least onerous among alternatives and does not produce disadvantages which are disproportionate to the aim.[189] A price cap is one of the most onerous remedies that is available in the CMA's toolkit. It presents a significant risk of unintended consequences. Therefore, such a remedy should be reserved for

186 See VetPartners' response to the CMA's working paper on remedies of 1 May 2025 (submitted 30 May 2025), paragraph 3.2.

187 CMA PDR Part B, paragraph 5.102.

188 CMA PDR Part B, paragraph 5.102.

189 Competition Commission (2013), 'Guidelines for market investigations: Their role, procedures, assessment and remedies', paragraph 344.

extreme cases where (a) there is a clear and obvious need for a price cap backed up by compelling evidence, (b) the risk of harm from unintended consequences is clearly outweighed by the intended benefits, and (c) there are no other less onerous alternatives available that could achieve similar outcomes. The CMA's proposed price cap does not meet these criteria.

190. The response below explains: (a) why the imposition of a price cap is unnecessary, unreasonable and disproportionate in light of available evidence, (b) that the level of the price cap provisionally proposed by the CMA is in any event too low and does not even enable cost recovery, due to significant flaws in the CMA's analysis, and (c) why the additional measures that the CMA proposes to impose to "*avoid circumvention*" are also not supported by the evidence.

A) The proposed remedy is not reasonably necessary and proportionate, and cannot be justified on the available evidence

(i) The CMA has not shown why a price cap is necessary and justified in addition to the proposed transparency remedy

191. The CMA briefly compares the proposed £16 cap against alternatives, but does so only against two alternatives that are even more interventionist, in this case an outright ban on prescription fees and a cap that does not account for inflation. This enables the CMA to present the current proposal effectively as a middle ground.[190] However, this framing omits realistic but less intrusive alternatives, such as (a) no price cap, or (b) a cap anchored to a higher level, such as the CMA's estimated sector median or the 2024 SPVS fee survey median, which would be more consistent with cost-recovery principles. We deal with the level of the proposed price cap further in paragraph 212 below.

192. The CMA's proposed transparency remedies, and in particular the mandatory publication of price lists (Remedy 2b) will, according to the PDR, enhance comparability and price competition.[191] Written prescriptions are a standardised service. As such, the proposed transparency remedies can be expected to create convergence towards cost-reflective levels (if it is the case that they are not currently at such levels). For this, no prescription price cap is necessary.

193. It is incumbent on the CMA to carefully consider whether a price cap is required above and beyond the transparency measures. This is particularly relevant in light of the CMA's own guidance on price caps which says that *"this type of behavioural remedy can be complex to implement and monitor, given informational asymmetries between the parties and the authorities and the associated risk of circumvention. There is also a risk that such controls create market distortions, particularly if they are kept in place over a long period*".[192]

190 CMA PDR Part B, paragraph 6.54.

191 CMA PDR Part B, paragraph 3.45.

192 Competition Commission (2013), 'Guidelines for market investigations: Their role, procedures, assessment and remedies', paragraph 378.

(ii) The proposed price cap is not supported by the available evidence

194. The PDR suggests that the aim of price cap is to avoid FOPs undermining the effectiveness of the market opening remedies.[193] This is not a credible risk.

195. FOPs already face strong and increased competition from online retailers as set out in paragraph 56 above. There is no evidence in the PDR that suggests that FOPs are responding to competition from online retailers by increasing prescription fees.[194] If there was a credible risk of a sufficiently large number of FOPs increasing prescription fees in response to competition from online retailers, they would have done so. Instead, as set out in paragraph 57 above, the CMA has found that vets recommend that pet owners buy medicines online, where it may be cheaper to do so.

196. There is no evidence of consumer detriment that would need to be resolved with this remedy.

197. First, as set out in paragraphs 51-52 above, the CMA has not identified credible evidence that shows that medicines prices are *too high* at FOPs. In other words, the PDR cannot reasonably find an AEC arising out of too high medicine prices at FOPs.

198. Second, the CMA has not identified clear evidence that shows that a large proportion of FOPs charge prescription fees that are above "*reasonable levels*".[195] The PDR does not explain what the CMA considers to be "*reasonable levels*" of prescription fees. VetPartners has two fundamental concerns with the CMA's analysis:

- The CMA's analysis is based on a sample of roughly 8% of all independent FOPs, which the CMA has previously acknowledged may not be a representative sample.[196] The CMA has not explained why it considers this sample to be representative for the purpose of establishing the level of the prescription fee that the CMA is proposing. This will be discussed further in paragraphs 204 to 205 below. Therefore, the CMA cannot reasonably rely on the prescription fees from a further subset of these practices, in particular those charging the lowest level of prescription fees, to infer the "*reasonable level*" of prescription fees for the entire sector. For the same reasons, the CMA's assumptions and reasoning regarding the impact of the prescription fee cap are simply not credible, and significantly understate the impact of the proposed remedy on the sector.
- The CMA has not engaged with VetPartners' proactive analysis on the costs of prescription services.[197] ✂. The CMA's approach fails to account for the **actual** costs of providing prescriptions. The CMA has, surprisingly, not included any

193 CMA PDR Part B, paragraph 6.9(a).

194 The CMA only makes reference to the hypothetical of an "*incentive of veterinary businesses operating FOPs to raise prescription fees*." (CMA PDR Part B, footnote 239.)

195 CMA PDR Part B, paragraph 6.9(b).

196 CMA's working paper on business models, provision of veterinary advice and consumer choice of 6 February 2025, paragraph 6.8.

197 VetPartners' submission to the CMA on the costs of prescribing medicines (submitted 30 May 2025).

assessment of these costs. VetPartners urges the CMA to do so in the final report. This will be discussed further in paragraphs 206 and 207 below.

(iii) The CMA has not shown that a prescription price cap would deliver a net consumer benefit

199. As noted above, the CMA has not shown clear evidence of consumer detriment. In addition, the CMA has no evidence suggesting that, on its own analysis (with which we disagree for the reasons set out in paragraphs 203 to 214 below) the proposed prescription price cap would deliver a net consumer benefit after wider price adjustments are taken into account. The CMA recognises that reductions in prescription fees "*may in some instances be offset by increases in fees for other services*".[198] Nevertheless, it presents no analysis of whether such offsetting effects could counteract the expected benefits, particularly if the cap is set below cost-recovery levels, as explained below.

200. The CMA recognises that there is significant variation of fees across the sector, which means that a significant proportion of the FOPs might seek to adjust their prices. Moreover, the CMA's proposed lower-quartile threshold, by definition, would require a large majority of practices to reduce their current fees, which would expose a wider portion of the market to revenue pressures and repricing incentives. The CMA has not demonstrated that the broader distortions associated with a price cap, and in particular a lower-quartile benchmark, would not outweigh its intended benefits, nor that a price cap is necessary or proportionate.

(iv) The PDR does not justify the choice of an indefinite price cap

201. As set out above, there is no reasonable basis for imposing a price cap. However, even if there was such a basis, there should be an end date with a sunset clause. In its recent publication, "*The CMA's approach to markets work*", the CMA states: "*In cases where we impose orders, our default approach will be to impose a sunset clause, meaning that the orders will fall away after a set period, unless the CMA judges that there is good reason for them to remain in place*".[199]

202. However, in the case of the prescription price cap, the PDR devotes only one paragraph to the question of why it does not propose to follow this default approach.[200] The CMA's stated rationale is that veterinary businesses' incentives to circumvent market opening remedies would not be transitional but may in fact increase over time. There is no clear basis for this statement. More importantly, it fails to consider important changes to the market that are expected occur over the next five years. These would be driven by the substantial package of other measures proposed by the CMA (including transparency and regulatory change), by a further uptake of online sales, or a combination of both. Given the concerns expressed in its own guidance about imposing long term price caps, VetPartners urges the CMA to reconsider this position in the final report. At the very least, the CMA should commit to reviewing the cap in three years' time, with the default option

198 CMA PDR Part B, paragraph 6.31.

199 CMA (2025), 'The CMA's approach to markets work', paragraph 4.13(e).

200 CMA PDR Part B, paragraph 6.34.

being that it would be removed, and only retained exceptionally if there is clear evidence to demonstrate that it is still needed.

B) The proposed level of the prescription price cap is in any event unreasonably low

203. VetPartners understands that the CMA derived the proposed £16 cap by analysing prescription fees from both LVG-owned and independent practices. VetPartners' economic advisers have reviewed the CMA's analysis and identified various serious concerns. As further discussed below, the CMA has significantly underestimated the level of prescription fees, and therefore, the impact of the price cap remedy if it were implemented.

(i) The sample of independent practices may not be representative

204. The CMA's dataset covered more than 2,000 LVG-owned sites, but only 151 independent sites (which represents roughly 8% of all independent FOPs), with data primarily from 2023.[201] The CMA extrapolates this limited sample of independent practices to infer a market-wide distribution of prescription fees.[202]

205. However, the CMA provides no evidence that the limited sample of independent practices is representative of the wider independent-practice population – whether geographically, by size, or by pricing model. The CMA has previously recognised that the dataset with the sample of independent practices "*may not be fully representative of independent practices overall*".[203] Nevertheless, the CMA has now used this dataset as the basis to effectively calibrate a national price cap, and as the basis for its impact assessment.

(ii) The CMA did not properly engage with VetPartners' bottom-up cost estimates of the costs of providing a written prescription

206. The CMA states it was unable to obtain robust estimates of the costs related to written prescriptions and for that reason did not adopt a bottom-up cost analysis.[204] It also concludes provisionally that it not seen evidence that justifies the "*higher prescription fees*".[205] This is incorrect as:

- In its proactive submission, VetPartners provided the CMA with a detailed estimate of the costs involved in issuing written prescriptions.[206] VetPartners demonstrated that the costs, excluding any mark-ups, can be up to ✂, based on FY24 cost estimates.[207] This estimate was based on a structured questionnaire completed

201 CMA PDR Part B, footnote 247. The CMA reported the total number of independent practices in 2023 to be 1,968 practices. See Consultation on MIR, table 1.1.

202 CMA PDR Part B, table 6.1.

203 CMA's working paper on business models, provision of veterinary advice and consumer choice of 6 February 2025, paragraph 6.8.

204 CMA PDR Part B, paragraph 6.15.

205 CMA PDR Part B, paragraph 6.24.

206 VetPartners' submission to the CMA on the costs of prescribing medicines (submitted 30 May 2025), paragraph 5.3.

207 ✂.

across VetPartners practices, designed to capture the time and people resources required for both clinical prescribing and administrative prescription services.[208] The estimate also included a reasonable allocation of overheads. The range provided reflected two typical scenarios for the level of involvement from people working in practices (i.e. one scenario with lower supporting input and one with higher supporting input).[209]

- The CMA has not meaningfully engaged with this cost estimate at all.[210] The evidence submitted is ✂, with no explanation as to why the underlying evidence was dismissed, other than to note that the incremental costs related to the sale of veterinary medicines are not monitored during the ordinary course of business by LVGs.[211] This reasoning is not convincing. This lack of substantive engagement with VetPartners' estimates (on which VetPartners spent time and resource preparing) is both surprising and inconsistent with the CMA's recognition that cost recovery is a factor to be considered when setting a price cap.[212]

207. Therefore, if the CMA were to remain intent on imposing a prescription fee cap, the CMA should properly consider the evidence provided by VetPartners, to ensure that the price cap is set at a reasonable level. When doing so, the CMA should bear in mind that the cost estimates provided by VetPartners must be considered a lower bound of total costs for the following reasons:

- The costs estimates are per item rather than per consultation/appointment. The CMA's remedy requires a single prescription fee per consultation, which in some cases will involve multiple items. ✂. In cases where multiple items are prescribed, the cost could be significantly higher. This means that the CMA's proposed level of the cap represents a significant underestimate.

- The questionnaire used by VetPartners to generate these estimates focused on the most common and observable activities across employee categories. However, there are a range of follow-up and case-specific services that were not captured by the questionnaire.[213]

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208 "Clinical Prescribing Services" are the clinical prescription services that are required to be provided by the FOP's employees irrespective of whether the pet owner decides to purchase the medicine at the FOP or online. "Admin Prescription Services" are the administrative services required to be provided by the FOP's employees in cases where a client elects to buy the PVMs from other retailers. For more details, see VetPartners' submission to the CMA on the costs of prescribing medicines (submitted 30 May 2025), paragraphs 3.1-3.3.

209 In the first configuration, the prescribing vet is assisted by the less resource-intensive of a nurse or a member of the support team. In the second configuration, the vet works alongside the more resource-intensive of these roles. This approach reflects the two most common people patterns observed across VetPartners' practices and ensures that both are captured within the cost range. It is a conservative assumption, as there are instances where all three people categories – vets, nurses and support team – are involved in the prescription process.

210 VetPartners' submission to the CMA on the costs of prescribing medicines (submitted 30 May 2025).

211 CMA PDR Part A, footnote 888 and CMA PDR Part B, paragraph 6.15.

212 CMA PDR Part B, paragraph 6.14.

213 As explained in VetPartners' response to Question 2 of RFI 17, these case-specific services can include consultations with manufacturers, email or phone discussions about side effects, referrals, tutorials for medicine administration, and clinical reassessments. See VetPartners' response to the CMA's s.174 notice of 11 April 2025 (RFI 17) (submitted 9 May 2025), paragraph 2.12.

- The cost estimates do not include any allowance for mark-up.

(iii) Based on VetPartners' cost estimates, the CMA's proposed price cap level would not allow FOPs to cover the costs of providing prescription services

208. VetPartners' external advisers have calculated the impact of the CMA's proposed price cap level on VetPartners' FOPs, using the costs estimates provided by VetPartners. As discussed below, the calculations show that the CMA's proposed price cap level would mean that FOPs are unable to recover the costs of providing prescription services. As FOPs cannot deny pet owners prescriptions, the CMA should carefully consider the impact of this remedy, including the effect of revenues being shifted from FOPs to online retailers.

209. The figure below directly compares VetPartners' FY2024 cost estimates to the CMA's lower quartile estimate of 2023 prescription fees, both expressed exclusive of VAT.[214]

210. The results are shown in the figure below, based on the following three separate scenarios.

- In the base case scenario, with the conservative cost assumptions described above and only considering standard (non-complex) medicines and not accounting for any time spent to respond to third-party retailer queries, ✂.
- The second scenario models the case of two prescription items being issued during the same consultation, which reflects a common situation in practice. On a conservative basis, it assumes that only the time spent writing and issuing prescriptions doubles, since each medicine must be individually issued, and the process of completing, checking, and recording each prescription requires the same steps (either manually or on the relevant PMS) regardless of the number of items. ✂. No additional time is modelled for clinical explanation or counselling, although in practice these activities would also take longer if multiple items were prescribed. While some efficiency may arise when discussing multiple medicines together, this may be offset by the need for the vet to consider potential harmful interactions between the medicines being prescribed. As such, even this two-item scenario remains a cautious estimate of the true cost of prescribing in multi-medicine consultations.
- The third scenario adds the extra time required to prescribe complex medicines and respond to third-party retailer queries, representing a higher but still conservative estimate.

211. ✂.

[✂]

Note: ✂.

214 To ensure a like-for-like comparison between VetPartners' estimate of the cost of providing a written prescription and the CMA's proposed price cap, VetPartners has adjusted the CMA's proposed price cap to exclude VAT (as this reflects the proportion of the fee that could be used by VetPartners to cover its costs). Further, the cost estimates for FY2024 span from July 2023 to June 2024, with December 2023 as the midpoint, so, for simplicity, we did not adjust for inflation when comparing to the CMA's lower quartile estimate of 2023 prescription fees.

(iv) The CMA fails to account for alternative benchmarks

212. In determining the appropriate level for the prescription fee cap, the CMA does not consider other potential benchmarks. VetPartners submits that a **cost-based benchmark** is the most appropriate benchmark for calibrating the price cap. As outlined above, VetPartners' bottom-up cost estimates, even on a conservative basis, consistently exceed the proposed cap. There are also several other potential alternative benchmarks to consider:

- ***CMA's estimated market median***: According to the CMA's analysis, the median prescription fee across the market in 2023 was around £17 (excluding VAT), and this figure increases to roughly £18 when adjusted for inflation.[215] Setting a cap of £18 (excluding VAT) would still lead to lower prescription fees at half of the FOPs in the UK. Even so, the market median would be more in line with the cost recovery principle, and therefore, less onerous.
- ***SPVS Fees Survey median***: The results of the 2024 SPVS Fees Survey[216] (which the CMA refers to as evidence of the level of the prescription fees)[217] indicate that the median written prescription fee is £18.75 (excluding VAT), which amounts to £19.50 when adjusted for inflation.

213. The table below shows how the CMA's level of the proposed price cap is significantly below all the alternative benchmarks.[218] ✂. VetPartners considers that these alternative benchmarks are more consistent with a price that enables practices to recover their costs and thus more appropriate benchmarks to consider when calibrating the price cap. It is important to note that while the VetPartners baseline bottom-up estimate in the table is based on a single item prescription, it is not clear whether the CMA's market-wide median, or the SPVS median are based on the cost of a single item prescription. To the extent that these medians are based on a single item prescription, they will underestimate the true median figure that would be relevant for benchmarking the CMA's proposed cap. This is because many vets currently charge fees to cover the costs of additional prescription items, but under the CMA's remedy these would need to be covered within the cap.

215 CMA PDR Part B, table 6.1.

216 SPVS (2024), Fees Survey 2024, p. 7, available to members only.

217 CMA PDR Part A, paragraph 11.163.

218 For purposes of a like-for-like comparison, we have excluded VAT for each benchmark (when not already excluded), and expressed all values in September 2025 terms using CPI, consistent with the CMA's own methodology for uplifting the cap.

Table: Comparison of prescription fee cap and relevant alternative benchmarks (exclusive of VAT and adjusted for inflation)

	Level excl. VAT	**Uplift using ONS CPI data – Sept '25**	**Percentage above CMA's price cap**
CMA's proposed price cap	12.4	13.3	/
VetPartners bottom-up estimate: baseline mid-point [1]	✂	✂	✂
Median of the CMA's market wide estimates[2]	16.7	17.9	34%
SPVS 2024 fees survey – median[3]	18.8	19.5	47%

Table notes: [1] ✂. For comparability, these values were uplifted from the FY24 (June 2023 to July 2024) to September 2025 by CPI (£✂and £✂). The mid-point was calculated by taking the average of these two points. See VetPartners' submission to the CMA on the costs of prescribing medicines (submitted 30 May 2025), para. 2.7. [2] The median prescription fees charged by FOPs across the market in 2023 according to the CMA is £20.08 (rounded to £20.1). For comparability, we removed the VAT and uplifted the figure from 2023 to September 2025 by CPI (£17.9). See CMA's PDR part A, table 6.1. [2] The 2024 SPVS fees survey on notes that the median prescription fees excluding VAT was £18.75. For comparability, we uplift the figure from 2024 to September 2025 by CPI (£19.5). See 2024 SPVS fees survey.

214. The PDR fails to consider why the lower-quartile benchmark selected by the CMA is more appropriate and proportionate than these alternative benchmarks. Further, CMA provides no justification for calibrating the cap to the lower quartile of its own fee distribution. As such, there is no reasonable basis for concluding that the lower-quartile benchmark selected by the CMA is appropriate and proportionate.

C) There is no justification for additional measures relating to the duration of the prescription

215. For the reasons set out above, the proposed price cap cannot be justified. In addition, the measures provisionally proposed by the CMA to avoid circumvention are also inappropriate and unnecessary. In particular, the CMA proposes to impose remedies that would require vets to write prescriptions for the "*maximum duration that the vet considers clinically appropriate*".[219] As the CMA accepts that vets are subject to professional

[219] CMA PDR Part B, paragraph 6.39(a).

obligations, the remedy appears to be driven only based on the commercial incentives and abilities of the businesses that own FOPs.[220]

216. However, prescriptions will always be issued by vets, and not by veterinary businesses. Yet, the CMA's reasoning is based on a rather far-fetched and unrealistic theory that veterinary businesses will 'direct' vets to breach their professional obligations. The CMA explored this theory in depth and found no credible evidence in support.[221] Indeed, this proposed measure is more likely to cause consumer detriment and pose risks to animal welfare by interfering with the professional obligations of vets. In particular, instead of exercising their clinical discretion with full autonomy (as is currently the case), vets would feel pressure to impose prescriptions for longer durations based on the standard approach even where there could be clinical reasons against doing otherwise individual cases, out of fear for the potentially severe consequences of falling foul of this remedy.

217. An example would be a dog receiving medication for arthritis. In some cases, a vet may consider a prescription for three months to be reasonable and indeed the maximum time they feel is clinically appropriate. In other cases, for example in younger animals with no other clinical problems and where a blood test has been performed recently, the vet may decide that a longer period of time is appropriate (provided that the risks have been explained to the pet owner). Again, in other cases, for example in older pets, where the medication has recently changed, where the vet is concerned that the pet is experiencing more pain, or where the pet is losing weight, the vet may want to see the pet much sooner than three months, possibly even after one month. VetPartners is concerned that, for example in the last case, despite the vet's concerns about the pet's welfare in the short term, they would feel under pressure due to the rules to give a written prescription covering a longer period of time.

CMA's proposed 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.*

Summary of VetPartners' view *Supports the remedy. a reasonable cap on OOH notice periods to enhance flexibility and competitive discipline. No significant concerns identified.*

218. VetPartners supports the CMA's proposed remedy, and has no further comments.

220 CMA PDR Part B, paragraph 6.38.

221 CMA PDR Part A, paragraphs 10.105-10.107.

CMA's proposed Remedy 13: *Transparency on the options and fees for cremations and ensuring that all pet owners have the option of a communal cremation.*

Summary of VetPartners' view*: Supports transparency on cremation options, including a mandatory communal cremation offering. A requirement to publish exhaustive individual cremation price lists that vary by species, weight and add-ons would not be meaningful and could overwhelm clients at a difficult time. Instead, any remedy should be limited to a focused list of standard options with clear explanations. Clients should be able to opt-out any mandatory decision and "cooling-off" period due to client preferences. The operational realities and collection constraints at practices and crematoria should be taken into account.*

219. VetPartners has no material comments on the CMA's proposed remedy insofar as it would require all veterinary businesses to (i) offer the option of a basic communal cremation, (ii) make pet owners aware of all the options available to them when their pet reaches the end of its life, (iii) ensure that the available options are discussed with pet owners, and published on the websites.

220. The CMA's proposed Remedy 7, however, raises certain practical concerns. These are discussed further below.

A) The prices for individual cremations are impacted by a large number of variables

221. VetPartners has no objection to publishing prices for communal cremations. However, for the same reasons set out in at paragraph 117 above, the publication of prices for all individual cremations may not be feasible, when details regarding weight and species variations are factored in. VetPartners has provided the CMA with information on the prices charged for individual cremations by FOPs, which included data for 98 practices covering 294 sites focusing on small animals.[222] Clearly it would not be reasonable or practical to provide clients with this information. If a focused price list providing a limited number of the most common fees were to be supplied, pet owners would be able to make informed decisions between communal and individual cremations, without the risk of being overwhelmed.

B) A mandatory 'cooling-off' period would have various unintended consequences

222. Many VetPartners practices routinely offer pet owners additional time for reflection, but if this were to be made a mandatory requirement potentially subject to severe sanctions, several practical aspects would need to be considered carefully (leaving aside that in any event the term 'cooling off' may be insensitive in the circumstances, and should be avoided).

223. Many pet owners will not need additional time to make a decision. It would also be very rare and unlikely for clients to change their mind after they have made a decision. Indeed, in many cases, pet owners will have already considered their options (often together with

[222] VetPartners' response to the CMA's s.174 notice of 23 September 2024 (RFI 7) (submitted 22 October 2024), paragraphs 8.1-8.2.

the vet when discussing euthanasia) before the pet's passing. In addition, at that stage, pet owners will frequently be seeking emotional closure and, where they have opted for an individual cremation, a quick return of the ashes. Further, for example, when clients visit PCS directly, the majority of these clients would prefer to stay and wait for their respective pet's ashes on the same day (where possible), especially if they have travelled to visit that crematorium. In any event, at the time that the client arrives at the crematorium (or at the FOP assuming that the pet died at home), the client would have already made a decision on whether to proceed with an individual or communal cremation. Therefore, should the CMA remain minded to mandate additional decision time and a 'cooling off' period, there would need to be an option for pet owners to waive these rights. This could be documented, for example, in the euthanasia consent form, or in clinical notes.

- Most FOPs tend to require crematorium providers to run collections once a week (with a minority of FOPs requiring collections multiple times a week). Therefore, the practical constraints include (a) the absolute amount of available storage space at an FOP (see the next point), and (b) the available storage at any given moment in time until the next pick-up (which would differ from practice to practice, depending on the available storage space, and frequency of collections). The CMA's Veterinary Advisory Panel appears to recognise this.[223] Therefore, from a practical perspective, FOPs may also need to contract for more regular collections by crematorium providers, which would add to the costs of the cremation service to pet owners. This would also have a knock-on effect on cremation providers, as they may not currently have the capacity to run more regular collections at all (or a large number) of FOPs.
- The CMA's provisional decision recognises that this remedy would only apply "*[w]here practical and reasonable*" and there would be an exception "*where the veterinary practice is small with limited storage capacity*".[224] Firstly, this exception would apply to a large number of FOPs, as many FOPs are small with limited storage capacity. In any event, VetPartners does not believe that it would be realistic to include an exemption based on specific storage space figures. The ability to store animals in a dignified manner depends on a number of additional factors, such as the physical size of the pets stored, the number of clients, and the frequency of the pick-ups by crematorium providers (as explained above).

223 CMA PDR Part B, footnote 301.

224 CMA PDR Part B, paragraph 8.1(e) and footnote 293.

CMA's proposed Remedy 14: *A requirement for all veterinary businesses operating FOPs to have an in-house complaints process for each of its FOPs which meets specified minimum criteria.*

Summary of VetPartners' view: *Supports the requirement for rigorous complaints handling processes to be in place. However, important to ensure that frivolous or vexatious complaints can be filtered out quickly. Need to be mindful of practical burdens on practices. Any remedy should (a) apply to written complaints only (with assistance available for those who need it), (b) allow proportionate logging and the screening of frivolous or vexatious complaints, and (c) focus on prompt and fair resolution.*

224. VetPartners supports the requirement for all veterinary businesses to have rigorous complaints handling processes in place.

225. As a practical matter, in many situations it will be unclear whether a pet owner actually intends to make a formal complaint or not. For example, if a pet owner mentions to the vet in passing during a consultation that they had to wait long to be able to enter the practice car park or that their cat was scared of a dog in the waiting room, the question could arise whether this amounts to a complaint for the purpose of Remedy 14. It would not make sense to require the vet in these circumstances to seek further clarification from the pet owner.

226. Therefore, VetPartners believes that this Remedy 14 should only apply to complaints made in writing (including by email, but excluding social media). In exceptional circumstances, where pet owners require assistance with formulating their complaint in writing, veterinary business could be required to provide such assistance.

227. An additional advantage of the threshold requirement that any complaint would need to be made in writing is that it helps the pet owner to articulate the nature and extent of their dissatisfaction and for the practice to therefore investigate thoroughly and propose a targeted resolution to all points raised, at this early stage of the process. This is consistent with the CMA's stated objective, to ensure that complaints are resolved during the normal course of business.

228. Whereas the CMA acknowledges the risk of frivolous and vexatious complaints in the context of Remedy 15,[225] a similar acknowledgment is unfortunately missing from the discussion of Remedy 14. VetPartners believes that express provision should be made for the ability of veterinary businesses to screen out frivolous and vexatious complaints at any stage in the complaints process (and consequently for such complaints to be excepted from the requirements imposed by this remedy).

[225] For example, see CMA PDR Part B, paragraphs 9.57 and 9.61(d).

CMA's proposed Remedy 15: *A requirement for all veterinary businesses operating FOPs to engage in mediation in good faith in cases where the pet owner's complaint is not resolved in-house and the pet owner wishes to engage in mediation.*

Summary of VetPartners' view: *There is a risk of delays and staff impact if the VCMS is under-resourced. Need to enable early screening of vexatious cases. Any remedy should (a) require adequate resourcing and service levels at the VCMS, (b) ensure fast-track screening for frivolous or vexatious complaints, and (c) maintain a clear and timely pathway to resolution.*

229. VetPartners supports the principle that veterinary businesses should be required to participate in mediation in good faith where the pet owner wishes to do so, subject to two comments of a practical nature.

230. First, given the expected significant increase in the VCMS's caseload if this Remedy 15 is implemented, there is concern that the speed with which complaints are handled by the VCMS will decrease. Therefore, the RCVS must be required to make sufficient funding available for the VCMS's speed and quality of handling complaints not to deteriorate. In particular, lengthy complaints and mediation processes can seriously affect the morale of people working in practices. Delays would also prolong the waiting period for the pet owner who may become increasingly frustrated. It would therefore be worth considering whether service levels (relating to the investigation times) could be agreed with or imposed on the VCMS.

231. Second, the adverse impact that vexatious complaints may have on the people working in practices should not be underestimated. Therefore, we welcome the CMA's provisional decision that the mediation obligation on veterinary businesses will not arise where the complaint is frivolous or vexatious.[226] If the veterinary business submits at any stage in the process that the complaint is frivolous or vexatious, the VCMS (or other ADR provider, as applicable) should be required to examine this as a matter of priority.

CMA's proposed Remedy 16a: *An undertaking from (or requirement on) the RCVS to develop and publicise a decision tree to help pet owners navigate the different routes to obtaining redress.*

Summary of VetPartners' view: *Supports the remedy but notes the need to emphasise practice-level resolution and mediation as primary pathways. Any remedy should require an easily accessible decision tree that prioritises in-house resolution and mediation, while clearly setting out escalation routes where appropriate.*

232. VetPartners supports the proposal to require RCVS to develop a decision tree setting out the redress options in consumer-friendly language.

233. Whilst we agree that the decision tree would cover (i) complaint handling by the FOP, (ii) mediation by the VCMS, (iii) the RCVS's disciplinary process and (iv) court proceedings, it will be important to place relatively more weight on routes (i) and (ii), rather than (iii)

226 CMA PDR Part B, paragraph 9.61(d).

and (iv). This will avoid any inadvertent impression with pet owners that the RCVS suggests for example court proceedings as a first step towards redress.

CMA's proposed Remedy 16b: *An undertaking from (or requirement on) the RCVS to collect, analyse and publish on an annual basis data and insights on complaints in the veterinary market for household pets.*

Summary of VetPartners' view: *Supports the remedy in principle but identifies a risk of unfair prejudice if publication penalises businesses with stronger record-keeping or differing reporting practices.*

234. VetPartners supports the CMA's proposed remedy to require the RCVS to collect, analyse and annually publish complaints data and any associated insights.

235. VetPartners' only comment is that, if this data collection were to be used for naming certain veterinary businesses, there is a risk that those with solid record-keeping standards would be prejudiced unfairly compared to those with less solid standards.

CMA's proposed 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.*

Summary of VetPartners' view: *Supports the general recommendation to the government to establish a replacement statutory regime which takes the form of an outcomes-based model, but raises concern that any "naming and shaming" should be reserved for the most serious breaches. Reforms should be phased, and shaped with sector input to avoid unintended consequences. Any remedy should be a recommendation for a UK-wide, staged statutory regime that is durable, proportionate, and fit for purpose across species, with clear roles, proportionate sanctions, and explicit protection of clinical autonomy.*

236. VetPartners supports the general recommendation to the UK government to establish a replacement statutory regime which takes the form of an outcomes-based model,[227] encapsulating veterinary businesses within its scope alongside individual veterinary professionals. As previously mentioned to the CMA, we believe that any enhanced regulation would need to apply to individual vets as well as practices, to ensure that those with operational control of the business are responsible for regulatory compliance.[228]

237. It is also important to VetPartners that veterinary professionals will be able to exercise clinical autonomy during their work: the CMA's proposal for clinical autonomy to be a requirement under the proposed Standards for Veterinary Businesses[229] is therefore a welcome development.

227 CMA PDR Part B, paragraph 10.12(b).

228 See VetPartners' response to the CMA's working paper on the regulatory framework for veterinary professionals and veterinary services of 6 February 2025 (submitted 21 March 2025), paragraph 3.2.

229 CMA PDR Part B, paragraph 10.16(b).

238. Well-drafted legislation can both foster innovation and safeguard animal welfare and pet owner interests. Clear role definitions, such as those for Registered Veterinary Nurses (RVNs), are needed to provide certainty. The proposed replacement statutory regime should extend this clarity across other veterinary activities, including paraprofessionals like veterinary technicians beyond the small animal sector.

239. VetPartners generally supports a broad range of sanctions proposed by the CMA in case of rule breaches by veterinary professionals, in order to enhance protections afforded to pet owners.[230] However, the sanction of publicly identifying such individuals[231] (sometimes referred to as 'naming and shaming') should be strictly reserved for the most serious breaches, particularly considering the increase in mental health challenges already faced by many veterinary professionals.[232]

240. VetPartners believes that the UK government and RCVS should work collaboratively with all sector stakeholders and across all species (i.e. not just relating to household pets) with a view to shaping the new regulatory framework and its implementation, particularly as the current regime was designed and legislated for nearly 60 years ago. This will also help ensure that the framework carefully balances consumer needs with animal welfare considerations.

241. VetPartners recognises the RCVS's long-standing challenges in ensuring that parliamentary time is dedicated to revisiting the Veterinary Surgeons Act 1966. The reform process should not only focus on the market features raised by the CMA in its market investigation, but it should take a wider approach. Indeed, a more comprehensive package, even if phased, will be essential to avoid entrenching a partial fix that could defer necessary reforms for decades. This proposed remedy should therefore be framed with clear, UK-wide objectives as well as staged commencement dates, allowing for careful impact assessments. This will ensure that the resulting statutory framework will be durable, proportionate and fit for all parts of the profession, as well as the pet owners that it will serve.

230 CMA PDR Part B, paragraphs 10.64-10.65.

231 CMA PDR Part B, paragraph 10.66.

232 See VetPartners' response to the CMA's Issues Statement of 9 July 2024 (submitted 30 July 2024), paragraph 4.11.

"Three key asks" – In summary, if the CMA remains of the view that remedies are required, the three key areas where we urge the CMA to focus its attention between now and the final report are:

1. ***No arbitrary distinctions*** – Move away from unfounded distinctions between LVG-owned and independent practices. Ensure that any implementation timetable applies uniformly to all practices, regardless of ownership, as the brunt of the work will be borne by the people on the front line.
2. ***Carefully considered remedy design*** – Price transparency only works if it is designed in a targeted way and comes with precise definitions to ensure comparability. Enhancing NPS at practice level would be beneficial to pet owners, rather than a national group-level survey. Written estimates would be required where the post-diagnosis estimate is £1,400 or more.
3. ***Proportionality*** –
    - As new proposed transparency measures will already discipline fees for a standardised service like prescriptions, there is no need for a prescription fee cap.
    - The proposed remedies will place a significant burden on FOPs, and impact the care provided by vets. FOPs use a large number of PMSs, many of which would not currently support some of the proposed measures.

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