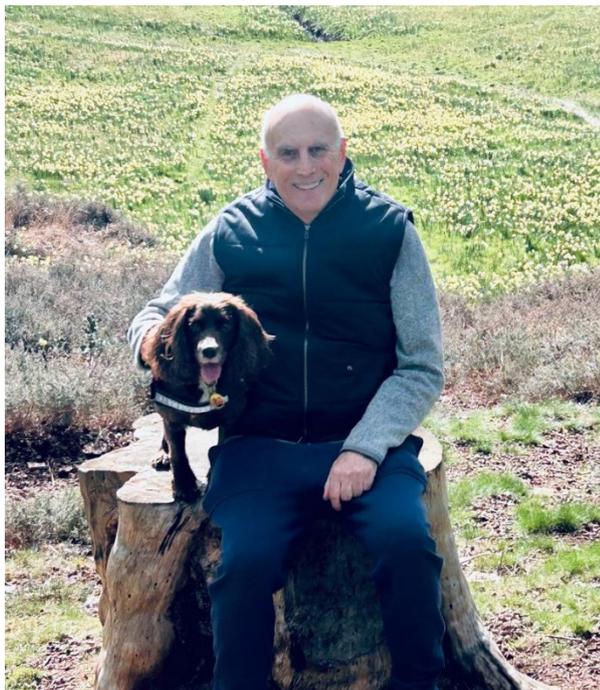


Message from Martin Coleman, Chair of the inquiry



We love our pets and want to get the right care for them when they need it. We are fortunate that the standard of veterinary care in the UK is generally high. We have access to well-trained vets, modern equipment and a range of medicines, and most of us live in areas where we can choose between different veterinary practices. But we can only get the full benefit of these things if we have the right information to choose the practice that works best for us and our pets. That's where our investigation and today's final decision comes in.

Our investigation is the most extensive review of veterinary services in the UK in generations. We have come to the clear conclusion that the current system is not working as well as it should for pet owners, vets and the animals they care for. Pet owners are left in the dark about prices even when they may be incurring costs of thousands of pounds; many are paying much more for medicines than they need to; pet owners often do not know who they are buying services from; and the large businesses that control the majority of vet practices and provide critical services are not held to account by an independent regulator.

Average prices of vet services have risen sharply and much faster than general inflation – 63% between 2016 and 2023. Public satisfaction with the cost of services is low and individual vets often bear the brunt of public discontent about problems for which they are not responsible. It's very important that pet owners don't take out their frustrations on individual vets. From everything we've seen, they work incredibly hard, act ethically and care about animal welfare.

It's also true that these vets work in a commercial industry. There is no NHS for pets, and veterinary businesses need to make a reasonable profit to continue to provide good quality care and invest in the latest treatments. We want veterinary businesses to do this in a context where competition is working well so that businesses feel pressure to keep prices fair and it is clear which practices are offering good value.

It's not surprising that pet owners are often left feeling frustrated or that they're being kept in the dark. And this ultimately impacts pet owners' ability to get the care that their animals

need. This must change. That's exactly why our final remedies and recommendations are needed.

So what are we doing to help pet owners and what will be different? In short, we are:

- **Empowering owners to compare practices** by requiring comprehensive price lists, supporting a comparison site and making it clear who owns their practice.
- **Helping owners know what to expect** by mandating written estimates for treatments over £500, itemised bills, clarity on pet care plans and cremations, and ensuring vets and veterinary nurses can give impartial advice.
- **Reducing medicine costs** by requiring that pet owners are told that medicines may be cheaper online, making sure that pet owners know that they can get a prescription and that this could save them money, and capping prescription fees at £21 – the resulting stronger competition in medicines could save pet owners hundreds of pounds.
- **Raising standards and ensuring the right support when things go wrong** by requiring fairness and consistency in handling complaints and access to mediation services.
- **Improving out-of-hours services** by making it easier for practices to switch providers.

We spent a lot of time discussing our proposals with vets, veterinary businesses and pet owners. Some vets pointed out ways our remedies could be improved to make them easier to implement or requested more time to comply. We've taken this on board – for example we adjusted our remedy on written prescriptions to reflect feedback on how vets manage their working days and we are giving practices, especially smaller independent ones, more time to comply with some remedies.

Pet owners remain at the heart of what we're doing. We think our remedies are workable solutions which will genuinely make a difference to pet owners and improve their experience.

We have the power to implement these changes, supported by an enhanced role for the sector regulator (the Royal College of Veterinary Surgeons). But competition alone, important as it is, will never be enough to fully protect pet owners in a complex market like veterinary services.

Effective regulation is essential. The current regime is 60 years old, outdated, and applies to individual vets but not businesses or practices – leaving key parts of the system unregulated where concerns have arisen. We said early in our investigation that long overdue new legislation would be needed to ensure that pet owners are supported when they purchase veterinary services. So it's positive to see the recent government

consultation on a new Veterinary Services Act. This is about updating regulation and making it fit for purpose so that it works for both pet owners and veterinary professionals.

We know there are some issues which are specific to six large veterinary groups (LVGs) – we're not shying away from this. Most of them have higher average prices than independent practices and, in at least three out of five cases, large groups buying up independent practices has led to higher average prices at those practices. Satisfaction with cost, quality of service, and quality of care is lower than at independent practices. We have also heard anecdotal reports of pressure on staff to sell treatments and tests, alongside internal documents indicating that some LVGs believe pet owners are relatively insensitive to price increases. Some of these groups are earning profits significantly higher than would be expected in a well-functioning competitive market. As a result of our remedies, it will be clear to pet owners which vet practices are part of large groups, which are charging higher prices and, for the first time, LVGs will be held to account by an independent regulator.

The main problem is a lack of clear information – especially on prices and treatment options, including medicines – which prevents pet owners from making informed choices. For transparency to be effective and competition to increase, all practices, independent as well as those owned by LVGs, must be open about what they offer and how much they charge.

We believe that our proposals will enable pet owners to choose the right vet, the right treatment, and the right way to purchase medicine – without confusion or unnecessary cost. They also help vets by enhancing trust in the profession and protecting clinical judgement from undue commercial pressure so vets can concentrate on what they love and do best – caring for animals and supporting pet owners.

Summary

1. We have published the final decision in our market investigation into the supply of veterinary services for household pets in the UK. This summary outlines our conclusions – including an overview of the evidence we have relied on in reaching them – and explains the remedies we have decided to impose.
2. We set out our reasoning in much more detail in the full decision document which can be found on our case page [Veterinary services for household pets - GOV.UK](#). Part A of the decision document covers the assessment of competition and part B describes our remedies package. On the case page, an explainer for vets sets out our remedies package, what it could mean for different veterinary businesses, what to expect and when.

Introduction

3. Veterinary services are an important market in the UK. Pet owners spent over £6.7 billion on veterinary and other services in 2024,¹ equating to around £390 per pet-owning household.² Some pet owners spend much more: for example, surgery for cruciate ligament disease (a common procedure for dogs) can cost up to £5,000, occasionally even more.
4. It is important that people pay a fair price when they visit the vet and can choose treatments that best suit their (and their pet's) circumstances. Our investigation has found evidence that indicates this is not always the case.
5. We received an unprecedented number of comments from the public and veterinary practitioners demonstrating a widespread feeling that things could be better. Around 45,000 pet owners contacted us with concerns in response to our initial Call for Information; many raised the issue of high prices, especially for medicines. We also received comments from around 11,000 people who worked in the sector, suggesting that many vets and veterinary nurses felt that the market was not working as well as it could. Many of them highlighted concerns about the increased role of large veterinary groups (**LVGs**) in the market. We have thoroughly investigated these concerns, and others.
6. Over the course of this market investigation, we have gathered extensive evidence from a range of sources. We visited and obtained information from veterinary businesses, large and small. We commissioned a survey of pet owners and qualitative research with vets and veterinary nurses. We held roundtables with a

¹ This includes standard veterinary services along with vets' charges for grooming, boarding, tattooing, training, surgery, and similar other services. It excludes veterinary services for horses and ponies, and charges for pet food and other veterinary products. [ONS National Accounts, Other recreational goods Veterinary and other services for pets](#).

² UK Pet Food estimated that 60% of UK households (17.2 million) owned a pet in 2024. [UK Pet Population | UK Pet Food](#).

wide range of participants, including vets with different levels of experience and at different types of businesses, including independent veterinary practices. We held discussions with the regulator (the Royal College of Veterinary Services, **RCVS**) and industry bodies (the British Veterinary Association (**BVA**), the British Veterinary Nurses Association (**BVNA**), and the British Small Animal Veterinary Association (**BSAVA**)). We also met the Federation for Independent Vet Practices (**FIVP**), the Society of Practising Veterinary Surgeons (SPVS), the Progressive Veterinary Association (**PVA**) and the British Veterinary Union (**BVU**). We received information from other sources, such as insurance companies and animal charities. We have published working papers, including one focusing on remedies, and consulted on our provisional decision. We received extensive responses to those consultations which we have carefully assessed.³

7. Having considered all of this evidence, we have reached our conclusion that competition is not working as well as it could in this market; in technical terms we have found that there are features of the market that give rise to an ‘adverse effect on competition’ (**AEC**). Overall, as set out further below, these are wide-ranging concerns, and these AECs likely cause substantial customer detriment of around £1 billion over five years. Our concerns indicate that competition could be significantly improved and that more effective regulation is needed to support good outcomes for pet owners.
8. We have decided on a wide-ranging package of remedies, aimed at transforming the experience of pet owners and empowering them to make the right choices for them and their pet.

How the market works today

Recent developments

9. We have been told that many practices have found it difficult to recruit veterinary professionals, particularly since Brexit. The shortage of vets was exacerbated by increased demand caused by growth in pet ownership during the COVID-19 pandemic. The difficulty in recruiting veterinary professionals has been compounded by wider social change over a longer period. More vets work part time or flexible hours than in the past, meaning that a greater number of vets are required to provide the same level of service.
10. Pet owners’ expectations have also changed. We have heard that the ‘humanisation’ of pets means that many pet owners value the sophisticated and costly treatment options that are increasingly available and are more demanding in

³ We received over 450 responses to both our Remedies Working Paper and our Provisional Decision Report.

their requirements than in the past, for example in expecting immediate appointments or consultations outside working hours.

11. As we note later, the structure of the industry has changed significantly over the past ten years, through the growth of LVGs which now own the majority (60%) of vet practices in the UK.

Protecting animal welfare

12. The principal function of vets is to protect animal welfare and public health. There is no NHS for pets and, while excellent animal charities provide an important service for pet owners who cannot afford to pay for treatments, they are not accessible for most people. As a result, veterinary services are mainly provided by businesses which charge fees for their services.
13. Like all businesses, vet practices need to make a reasonable profit to compensate their owners for investing in and providing valuable services. However, if people are priced out of getting a sufficient level of care for their pets, animals may suffer. There is therefore a close connection between providing veterinary services that deliver competitively priced options for pet owners and services that ensure animal welfare.

The clinical and commercial setting

14. Vets engage with both clinical and commercial factors as part of their work. They are expert clinicians, providing care for animals, with appropriate professional obligations. They also run, or work in, commercial businesses seeking a reasonable profit.
15. A trusted professional relationship means that customers do not see vets as 'just another business' seeking to maximise profits. They expect the veterinary businesses' commercial activities to be exercised in a professional ethical context.
16. Vets rightly pride themselves on their dedication to the care of animals and their professional skills. Everything we have seen demonstrates that the vast majority of individual vets behave entirely ethically with respect to the animals in their care. However, the businesses that they run, or for which they work, are providing a commercial service. There is a risk that commercial pressures could interfere with providing the service that best suits the circumstances of the pet owner and their animal.

Pet owners rely on the expert advice of vets

17. Pet owners typically lack clinical expertise and will not be able to directly judge the relative merits of potential diagnostic tests and treatments, or assess the clinical

quality of a first opinion practice (**FOP**) they are considering. Sometimes pet owners' decisions will be made in urgent or emotionally charged situations. Pet owners nonetheless want to do the best for their pets when making decisions on their behalf. They will rely on their vets for that, in a relationship of trust.

Vets play a gateway role

18. Vets are professional experts and provide advice to pet owners on which treatments and medicines to purchase. Pet owners need vets to provide prescriptions or referrals that enable them to purchase medicines or certain additional treatments. Vets therefore play a 'gateway' role. However, mixed incentives can arise in the gateway role, as the veterinary business may be competing with other providers of some of these services, such as online pharmacies supplying medicines or specialist referral centres. This risks creating a conflict of interest on the commercial side.

What this means for competition

19. Because of the complexity of the professional services provided by vets, the knowledge imbalance between pet owners and vets and the sometimes emotional or urgent situations in which people purchase veterinary care, there will always be limits on how strong competition will be in this sector, compared to other markets. These factors are inherent and difficult to change. It would anyway be inappropriate to seek to change the relationship of trust between vets and pet owners.
20. The existence of these inherent factors makes it important that, where competition can make a difference to pet owners, it should do so. But there is inevitably also an essential role for regulation to play, to ensure that commercial pressures do not undermine the process of providing treatments which best meet the needs of the pet and its owner. (Regulation plays a similar function for other professional services such as legal advice, private medical care, and financial services.) The need for effective regulation is a critical part of our final decision and our remedies package.⁴

The large veterinary groups

21. Over 60% of veterinary practices are currently owned in whole or in part by six LVGs, each of which has practices in different parts of the UK and may own related businesses across the veterinary services supply chain, such as online pharmacies, referral centres (which provide more advanced care), crematoria, and

⁴ On 28 January 2026 Defra launched a consultation on proposals for reform of the Veterinary Surgeons Act 1966. The key aims of Defra's proposed reform include consumer protection and enhanced competition.

out-of-hours providers.⁵ The expansion of the share of LVGs has resulted mainly from a significant number of acquisitions over a relatively short period of time: in 2013, just 10% of vet practices were owned by large groups.

22. The size and scale of the LVGs distinguish them from other veterinary businesses. The largest, IVC, has over 900 FOPs in the UK (as well as related businesses), and the smallest, Linnaeus, has around 180 FOPs. The next largest veterinary business owns just 38 FOPs and 76% of veterinary businesses have only one FOP (representing 20% of all FOPs).⁶
23. The relative size and scale of the LVGs can obscure the fact that there are important differences between them. For example:
 - (a) two LVGs (Medivet and Pets at Home) have UK-wide branding for all (or most) of their FOPs and the rest currently do not;⁷
 - (b) five of the six have grown mainly by making acquisitions while Pets at Home has expanded by opening new practices;
 - (c) two are listed companies (CVS and Pets at Home), three (IVC, VetPartners and Medivet) are owned by private equity investors, and Linnaeus is owned by Mars Petcare; and
 - (d) Pets at Home has a joint venture structure under which most of its practices are owned jointly with local individuals (usually vets), and Medivet operates a partnership model under which a number of its FOPs are owned jointly by it and the vets who work in those practices.
24. These large groups are ultimately owned or significantly controlled by corporate and financial entities. We have heard concerns from pet owners and vets that consolidation of vet practices into these larger groups has had an adverse impact on competition and pet owners, for example by reducing choice in a local area or increasing prices.
25. Between January 2023 and July 2024, average prices at five LVGs were higher than average prices at independents.⁸ Specifically, average prices at practices owned by Medivet, IVC, CVS, VetPartners and Linnaeus were (together) 18.3% higher than average prices at independent practices for consultations, treatments

⁵ The LVGs are: CVS, IVC Evidensia, Linnaeus, Medivet, Pets at Home and VetPartners. CVS, IVC, Linnaeus, Medivet, and VetPartners own referral-only centres. CVS and IVC own dedicated out-of-hours businesses. CVS, Linnaeus and Medivet own diagnostic laboratories. IVC and VetPartners own crematoria. CVS, IVC, and VetPartners own online pharmacies. More detail on these ownership links can be found in Part A Section 2: Context for the veterinary services market, table 2.2.

⁶ Data from May 2025.

⁷ We note that CVS has started implementing joint branding and the names of all its FOPs are currently listed under 'CVS Vets' on its website, and that IVC has recently [announced](#) a launch of unified branding.

⁸ For Pets at Home, the empirical evidence is not conclusive, because of differences in the recorded treatment mix between Pets at Home and independents.

and medicines. There was significant variance across the large groups in how much higher their average prices were compared to independent practices.⁹

26. The growth in average prices across the sector has involved faster increases at some LVGs than at independent veterinary businesses.¹⁰ For at least three of the five LVGs that acquired FOPs since 2015, our analysis indicates that acquisitions led to an increase in average prices of 9% four years later, compared to the previous pricing trend at the acquired independent practices. For at least three out of these five LVGs, our analysis indicates that acquisitions led to an increase in insurance claim values of 5% on average four years later, indicating that the overall bills for diagnosing and treating a pet increased. Pets at Home did not make any acquisitions and we did not observe any impact of acquisitions made by Linnaeus on average prices or insurance claim values.
27. Consistent with our pricing evidence, most LVGs scored particularly poorly when customers were asked about satisfaction with the cost of service at their most recent visit to a vet. The average net satisfaction score for the cost of services was 26% for customers of LVGs, compared to 47% at independents.¹¹
28. Overall, the evidence indicates that the increases in average prices that occur following LVG acquisitions of independent FOPs are not wholly explained by improvements in the quality of services provided.
 - (a) First, our pet owners survey indicated that LVG customers are less satisfied on measures of service quality compared to customers of independent vets, although there is variation between the six LVGs. The average net satisfaction score on quality of service was 83% for independents and 76% for LVGs (as a whole), and for information and/or advice it was 78% for independents and 68% for LVGs (as a whole). This survey evidence indicates that aspects of quality that pet owners can observe and judge (to some degree) do not explain the post-acquisition increases in average prices.

⁹ We note that this price dispersion analysis does not seek to control for possible quality or cost differences between services at different veterinary businesses. This analysis is set out in Part A Section 7: market outcomes.

¹⁰ This finding is based on our econometric analysis of acquired FOPs, which measures changes in claim values and average prices at acquired FOPs pre- and post-acquisition. This differs from the price differentials we observe between LVGs and independents in 2023-24, which compare between average prices at LVG-owned and independent FOPs across the market.

¹¹ Customers of CVS (13%), IVC (17%), Linnaeus (24%), Medivet (28%) and VetPartners (29%) had net satisfaction scores significantly lower than customers of independents. Customers of Pets at Home had a 40% net satisfaction score, which was not statistically different to the score for customers of independents. Pet owners that did not know their FOP was part of an LVG were also significantly less satisfied (28% net satisfaction score) than customers of independents. Net satisfaction score is calculated by the percentage of respondents who were satisfied minus the percentage who were dissatisfied.

- (b) Second, we have not seen persuasive evidence of a strong link between LVG price increases and investments in quality, despite our requesting LVGs to provide this evidence. In particular:
- (i) We have not seen significant marketing from LVGs to reposition their services as offering higher quality at higher prices, or documents to support such a repositioning strategy.
 - (ii) We have not been provided with robust evidence from LVGs on their post-acquisition investments in capital or staff, and how these compare to investments that these practices would have made had they not been acquired.
 - (iii) While LVGs provided evidence of increases in remuneration per FTE (full-time equivalent) worker over time, these salary increases can, at most, explain around half of the price increases over time across LVGs, and we have not received well quantified evidence of other increases in costs. In any case, the changes in salaries are not unique to the LVGs and only the element of salaries (and other costs) that are higher for LVGs would be relevant for explaining the acquisition effects on price.¹²
- (c) Third, we have seen internal documents from some LVGs that link price increases to an expectation that pet owners will not react by purchasing less or switching away. We have also seen internal documentary evidence regarding pricing strategies at LVGs that are based primarily on non-quality factors.
29. We observe greater increases in average prices at certain LVGs compared to independents despite evidence of some LVGs having lower operating costs for certain parts of their business than independents (for example, LVGs using their purchasing power to reduce their medicine costs). This pricing evidence indicates that cost savings are not being passed on to pet owners.
30. We do not suggest that the large groups are behaving unethically or that the vets who work for them do not take their professional responsibilities seriously. But the evidence on acquisition effects indicates that vet practices that are part of certain LVGs have contributed to pet owners paying more for veterinary care due to these LVGs having a greater commercial focus that is unrestrained by effective competition.
31. Given the strength of concerns relating to the LVGs, and the significant acquisition effects observed, we carefully considered whether increases in concentration were responsible for rising prices. We have found that high local concentration is not

¹² Because our econometric analysis of acquisition effects controls for any market-wide changes in costs.

widespread enough to be a driver of price increases across the sector as a whole. For pet owners at 89% of FOPs, our analysis indicates that there is a choice of four or more competitors (including their current FOP), and this choice increases to five or more competitors for pet owners at 81% of FOPs. Price rises across the sector as a whole, including those resulting from certain LVG acquisitions, have not therefore been due to a lack of choice between FOPs owned by different firms but rather lack of effective competition between FOPs big and small.¹³

32. Previous CMA merger investigations in the veterinary sector have led to divestments of FOPs to address competition concerns, limiting increases in concentration in the relevant local markets. In line with its current practice, the CMA will continue to actively monitor merger activity in the veterinary sector for any relevant acquisitions that may harm competition.

Our findings

33. Having assessed a wide range of evidence in the round, we have found significant and widespread problems compared to a situation where the market was working well.

Price increases and quality improvements

34. Between January 2016 and December 2023, average prices at veterinary businesses across the sector grew by 63% and average first-year treatment expenses (a measure of overall vet bills) increased by 53%, compared to a 32% increase in general inflation (Consumer Price Inflation) over the same period. Our profitability analysis (set out below) indicates that, across a large part of the sector, prices now materially exceed the costs of investing in and running a veterinary business. As such, while there may have been investments that have led to improvements in quality and increases in salary costs, the evidence on profitability indicates that these investments and cost changes do not justify the full extent of the increases in average prices, which, as noted above, have been greater in practices acquired by certain LVGs than at independent practices. As explained above in relation to these acquisition effects, the evidence also indicates that increases in average prices are not wholly explained by improvements in the quality of services provided.

¹³ Previous CMA merger investigations in the veterinary sector have used share of FTE vets. Differences in approach between our MI and previous CMA merger investigations reflect how our analytical objective differs from a merger investigation and how it was not possible for us to collect data on FTE vets across all vet practices in the UK. Given that we have found that high local concentration is not widespread enough to be a driver of price increases across the sector, further analysis of local concentration (such as using share of FTE vets in specific local areas) is not necessary. This does not preclude that the appropriate analytical approach in the assessment of future merger activity would be for the CMA, in assessing the strength of competitive constraints in specific local areas, to use shares of FTE vets.

Profitability

35. We have assessed the profitability of the six LVGs. We found that four of them, CVS, IVC, Pets at Home and VetPartners (listed alphabetically rather than in any order of profitability), made profits which materially exceeded the cost of capital over a sustained period.
36. We consider that this profitability analysis provides direct evidence that increases in average prices are not sufficiently offset by the costs involved in any investment in quality. In a well-functioning market, we would expect more of these profits to be competed away through lower prices or greater investment in quality.
37. Our evidence of profitability is therefore consistent with our overall finding that there is not strong competition between veterinary businesses.
38. While we have not conducted a similar profitability assessment of independent veterinary businesses, we did assess the financial performance of a large number of businesses. We found there is a wide distribution of performance among independent veterinary businesses, with some making significantly higher margins than others. This evidence is consistent with our overall findings on the limited competition between veterinary businesses.

Pet owner choices

39. We have found concerns that pet owners could be limited in their choices or may be paying more than they would if the market worked better across a range of elements in the 'consumer journey': choosing a vet practice, choosing treatments and referrals, pet care plans, purchasing medicines, out-of-hours services and cremations.

Choosing a vet practice

40. When we began our work in this area, just 16% of vet practices had any prices on their websites. While we note that this proportion has increased during the course of our inquiry, in 2025 we observed that over 40% of FOPs still did not display any prices on their websites and what was available was frequently restricted to a few very common services.¹⁴ For example, only 52% (of those FOP websites which had prices) had prices for providing written prescriptions, and just 13% listed prices for routine dentistry. Very few had prices for any more advanced procedures such as surgeries (beyond neutering) or diagnostic tests or imaging.

¹⁴ In May and June 2025, we conducted a second website price review of a sample of FOPs. The sample in the second review was of 1,184 FOPs, representing around 27% of the FOPs in the UK that we are aware of, and selected to include a statistically robust number of LVG, mid-tier and small independent FOPs, and FOPs in each of the nations of the UK. In our first review of websites, we checked 2,552 UK vet practice websites (58% of all UK vet websites, including both independent and LVG-owned FOPs) and found that 84% of those practices had no pricing information.

There was rarely information on cremations or medicine prices. We found that the prices were sometimes difficult to locate (either requiring considerable scrolling to the end of the homepage or listed under non-intuitive headings such as 'visit our practice').

41. Some customers may prefer a particular type of FOP; either one that is independent or one which is part of a large group. 21% of respondents to our pet owners survey reported considering practice ownership when choosing a FOP. Of these respondents, 68% preferred independent practices, with the remaining 32% preferring LVG practices.
42. However, it is difficult for pet owners to identify whether a FOP belongs to a large group or is independent. Less than half (47%) of respondents to our pet owners survey who we confirmed to be customers at LVG practices were aware that their practice was part of an LVG, with 23% reporting that they were unsure and around a third of these LVG customers reporting that their practice was either an independent (9%) or part of a small group of practices (21%). For those pet owners at LVGs which did not have consistent and visible UK-wide branding, there was even less awareness: only 19% of pet owners at VetPartners knew they were with an LVG, and this awareness rate was 22% at IVC, 33% at CVS and 36% at Linnaeus.
43. This lack of transparency could give customers the illusion of choice and competition. For example, when choosing a vet, a pet owner may think they have compared different options in their local area and believe that they have assessed prices from rival FOPs, without realising that some of the FOPs might be part of the same group. Similarly, pet owners exercising the choice to switch away from a FOP that is part of a certain LVG may unknowingly switch to a practice in the same group.

Choosing treatments

44. Given pet owners' understandable dependence on advice given by their vet when purchasing veterinary services, it is vital that they are given appropriate and timely information when making choices between treatments. Such information includes the likely cost of the treatment, relevant clinical information (such as likely outcomes or potential next steps) and the skill and experience of the professional carrying it out.
45. Less than half (43%) of the respondents to our pet owners survey reported that they received price information in advance of their most recent non-routine treatment. Price estimates, when provided, were often given only orally rather than in writing, which makes it more difficult for pet owners to remember them and have something to review once away from the consulting room. Some pet owners reported not receiving price information until after they felt committed to the

treatment pathway. Some vets told us that they have found it difficult to discuss the cost of veterinary services with pet owners, fearing that they would seem to care only about money if they mentioned price at the wrong time.

46. Given that treatments can be very costly, it is important that the right options are presented to pet owners in the best way to help them make informed decisions about which treatment is best in the circumstances. Some vets (particularly those who are less experienced) told us that they prefer to order the most comprehensive diagnostic tests because they want to make sure that they have all possible available information before recommending treatment, even though this might add costs for the pet owner. Others told us that they always make sure to offer the most comprehensive treatment options, so that pet owners have the widest choice. In addition, some vets told us that certain business practices, including key performance indicators (KPIs), targets, clinical protocols and guidance, and IT systems, may put undue pressure on vets to recommend certain diagnostic tests or treatment options. We found some evidence that the support given to vets from veterinary businesses to help vets recommend the right options is limited and business practices may pressurise vets to make certain clinical recommendations.
47. Making the right choice can be particularly important for pet owners who are financially constrained. Of respondents to our pet owners survey who said they found life financially 'very difficult', 35% did not agree that their vet considers their personal circumstances when deciding which treatment options to offer.¹⁵

Choosing a provider when being referred for treatment

48. When a pet needs a referral for treatment, there is often more than one suitable referral centre reasonably nearby. However, less than a third of the respondents to our pet owners survey (30%) reported being given options for where they could go for their most recent referral. Telling pet owners that more than one referral centre is available may prompt pet owners to compare referral centres, which is likely to lead to better outcomes for pet owners on things they value, like the availability of appointments and price.

Pet care plans

49. Pet care plans are widely offered by vet practices across the UK and involve a monthly or annual subscription fee which covers a package of routine medication and veterinary services. Our analysis of LVG pet care plans suggests that some

¹⁵ In comparison, only 19% of those 'living comfortably' and 18% of those 'doing alright' felt that the vet did not consider their personal circumstances.

subscribers may not achieve the short-term financial savings that they may expect by subscribing to a pet care plan.

50. We found that information about pet care plans is often not presented in a way that enables pet owners to assess value, particularly in the absence of individual prices for treatments and medicines on many practice websites. Marketing materials often highlight *potential* annual savings without breaking down the costs of individual treatments or products, and without comparing savings against third-party medicine prices.

Veterinary medicines

51. FOPs sell prescribed veterinary medicines as part of their recommended treatments for pets. It can be convenient for pet owners to purchase medication directly from their vet practice. In some circumstances it might be the only practical option when the pet needs medicine immediately, if the medicine is difficult to administer, or where it is supplied as part of a wider service provided at the FOP (such as a health check combined with a vaccination).
52. Prescribed veterinary medicines can also be obtained from third-party retailers (usually online pharmacies). Where pet owners wish to purchase prescribed medication from a third-party retailer, and it is appropriate to do so,¹⁶ they need to request a written prescription from their vet, and pay a fee for this.
53. Our analysis showed that commonly prescribed medicines are typically available at online pharmacies for prices that are 50% to 60% less than those at veterinary practices. Consequently, many pet owners could save around £200 to £300 on average each year when purchasing these medicines from an online pharmacy rather than a FOP (even when considering the relevant prescription or dispensing fees charged by FOPs in the sale of medicines).
54. Despite the potentially significant financial savings available to pet owners when purchasing medication from third-party retailers, pet owners purchase most of their medicines from FOPs. This is the case even for pet owners whose pet has been prescribed on-going medication and who are therefore most likely to benefit from the lower prices offered by online pharmacies. Our survey showed that only 26% of pet owners whose pet had been prescribed on-going medication purchased it from an online pharmacy.
55. We found that most pet owners whose pet had been prescribed medication did appear to know that they could obtain a written prescription (57% of respondents in our survey), although a significant minority (38%) did not. Many pet owners,

¹⁶ Where the medication can be easily administered by the pet owner and is prescribed in a non-urgent context or is a preventative treatment.

however, choose to buy their medicines directly from the FOP because of the trust they have in their vet or because it is more convenient. But 69% of respondents to our survey had not attempted to, or were unable to, compare prices of medicines, indicating that most pet owners were unaware of the significant financial savings available to them from online pharmacies. Other factors limiting pet owners' ability to engage effectively with third-party retailers (including online pharmacies) include some cases of high charges for written prescriptions, a lack of information on the quality of medicines sold by online pharmacies, inefficiencies in the written prescription process at the FOP, and Own Brand medicines acting as a barrier to comparing the price of medicines offered by at FOPs and third-party retailers.¹⁷

Cremations

56. Two thirds of pet owners have their pet cremated at the end of its life. This is an important service purchased at a distressing time. Our analysis suggests that some FOPs are charging high mark-ups on individual cremations and that pet owners may be paying in the order of £100 more for this service than they would be if there were strong price competition. Conversely, the prices of communal cremations more closely reflect their costs and are a lot lower than individual cremations, so it is important that pet owners are offered a communal option. In order to make the right choice, pet owners need good information at the time they are making this difficult decision.

Out-of-hours services

57. All veterinary sites which treat animals during standard opening hours are required to have arrangements for 24-hour emergency cover. Some FOPs provide this themselves and others outsource to a dedicated out-of-hours (**OOH**) provider. In these cases, the FOP has a contract with the OOH provider (allowing the FOP to meet the OOH requirements) and the FOP's clients are able to use the OOH services, for which they pay the OOH provider directly.
58. OOH provision is more costly to operate than daytime care due to the uncertain demand alongside the higher salary costs of qualified staff willing to work unsociable hours, and the difficulties in recruiting them. To secure the viability of their businesses, suppliers of outsourced OOH services are likely to require some contractual certainty that secures their continuity of provision and income for a sufficient period of time
59. We are concerned, however, that some contracts between FOPs and third-party OOH providers have clauses that make it difficult for FOPs to switch away if prices

¹⁷ Own Brand medicines are versions of veterinary medicine products that, rather than having the brand name of a manufacturer, have a brand name given by the retailer or distributor of the product. We use the term Own Brand broadly to describe 'private-label', 'own-brand', 'own-label', and/or 'white-label' products.

are uncompetitive or service is inadequate, for example long notice periods and high early termination fees. This makes it difficult for FOPs to exert competitive pressure on OOH suppliers to provide good service at a competitive price to their customers, because they cannot credibly threaten to switch (or choose to move provision in-house) in response to poor service or higher prices. Our conclusion is that this leads to weaker competition in OOH provision, which could lead to worse service and higher prices for pet owners.

Regulation

60. Competition alone, important as it is, will never be enough to fully protect pet owners in a complex clinical services market like veterinary services. There has long been some legislation governing this sector and there is an existing regulator. However, the current regulatory framework is ineffective and needs reform.
61. At the heart of our concerns is a regulatory system that is out of date and out of step with the current structure of the veterinary industry, and so no longer fit for purpose. For example, there is no mandatory oversight of the businesses which own or control the majority of vet practices in the UK. Veterinary businesses make critical decisions on matters such as staffing levels, working practices, availability of medicines, investment in equipment and consultation length. In the past, when most veterinary businesses were owned by vets who were individually regulated, the lack of regulation of businesses was of less significance. Now that most veterinary businesses are controlled by non-vets, the lack of regulation of businesses that supply such important services is a serious regulatory failure. In addition, the regulatory framework could do more to help pet owners judge the clinical standards and general quality of veterinary businesses. The complaints system appears to us to be ineffective, denying pet owners effective means of redress when things go wrong, and there is no mandatory third-party consumer redress scheme.
62. The RCVS currently combines the professional leadership functions of a Royal College with that of a regulator of veterinary professionals and (to the limited extent allowed by its voluntary Practice Standards Scheme) veterinary businesses. We are concerned about the lack of effective separation between the professional leadership responsibilities of the RCVS (its Royal College role) and its wider regulatory function in protecting animals and pet owners.

Summary of our concerns

63. We have identified three key problems that need to be addressed: lack of information, barriers in the market and an inadequate regulatory framework.
 - First, pet owners do not have the tools they need to support them in choosing what is best for them and their pet. Vets and veterinary businesses are not

providing pet owners with the information they need, in a timely way, to enable them to make choices between different practices, treatment options or, in the case of medicines, whether to use alternative retailers such as online pharmacies.

- Second, there are sometimes barriers to pet owners acting on information, (such as uncertainty around the quality of medicines from online pharmacies or timeliness of delivery, high prescription fees, delays in obtaining a written prescription). When things go wrong there are difficulties in making a complaint and seeking redress. There are also barriers to FOPs switching OOH providers.
- Third, the system of regulation of vets is outdated and wholly unfit for purpose, including that it applies only to veterinary professionals and not to the businesses in which they work.

64. As a result, pet owners can find it difficult to choose the vet practice, treatments and medicine suppliers that are best for their circumstances and end up paying more than they would if the market were working as well as it could.

65. We estimate that the consumer detriment attributable to FOPs is around £1 billion over five years. This estimate is based on the profits of the LVGs that are in excess of the level required for a reasonable return on capital, more of which we would expect to be competed away as businesses vie for customers by offering lower prices or higher quality.¹⁸

66. The overall detriment could be significantly higher than we have estimated.

- (a) First, our estimates do not account for detriment across the whole sector, including practices that are not part of the LVGs. In particular, there is sector-wide detriment arising from the price savings that pet owners could make from buying more medicines online. Our estimate based on our (LVG) profitability analysis captures this detriment to some extent as high medicine prices at FOPs feed into the profitability of a FOP, but only partially since our profitability estimate excludes independents. Many pet owners could save £200 to £300 on average annually when purchasing commonly prescribed veterinary medicines from an online pharmacy rather than a FOP.
- (b) Second, our estimates do not include the detriment from reduced usage of veterinary services when prices are higher due to weak competition. For example, the 2024 PAW report found that 8% of dog owners say they have

¹⁸ CMA estimated economic profits over the years 2020-2024 in the CMA's base case scenario expressed in 2024 values. Another estimate is £600 million to £700 million in additional customer expenditure over five years due to certain LVGs charging more than independents due to a lack of effective competition (based on our estimates of the effects of acquisitions of independent FOPs by a subset of LVGs).

delayed taking their pet to the vet when it was ill because it was too expensive.¹⁹ For 10% of dogs which were not neutered, the reason given was that it was too expensive. This type of detriment results in greater health risks to the animals that pet owners care about (with the harm to pets closely linked to consumer harm).

- (c) Third, there is the detriment arising from the limitations in the choices that pet owners make which is difficult to quantify, including their choice of FOP and their choice of treatments to best meet their preferences and needs (and the needs of their pet).

How we propose to address these concerns

- 67. The extent of our concerns is such that we do not consider that there is a single solution to the problems we have identified. It needs the CMA, the RCVS and government to take actions, which, when fully implemented, will amount to a fundamental reset of the relationship between veterinary businesses and pet owners.
- 68. We are taking action ourselves, requiring veterinary businesses to change their behaviour and enable pet owners to make informed choices. The RCVS is best placed to take certain actions to support our remedies. This will be implemented, if necessary, by exercising our Order making powers or through Undertakings given to us by the RCVS. We are also making recommendations to the RCVS for it to act in areas where we do not have Order making powers. We are making recommendations to government that it acts to replace the ineffective and outdated regulatory framework with an effective and proportionate one and to the Veterinary Medicines Directorate (**VMD**) in relation to certain aspects of the regulation of veterinary medicines.
- 69. We are implementing a package of remedies²⁰ to empower pet owners to choose the vet practice, medicine supplier and treatments that are best for them, and making it easier to complain if something goes wrong. This should put pressure on veterinary businesses to lower prices – or increase quality – in order to win and retain clients.

¹⁹ PDSA PAW report, 2024, p 10. [PDSA PAW Report 2024](#).

²⁰ Our remedies package is summarised in the table 1.1 of part B, section 1.

Action by the CMA

Better information to support pet owners and encourage veterinary businesses to compete

Choosing a FOP

70. To address the first problem – that pet owners are not receiving sufficient and timely information – we are implementing a range of measures which will provide pet owners with information, guidance and support to choose between practices based on a better understanding of what services will cost.
71. All FOPs, online pharmacies, referral centres, OOH providers, diagnostic laboratories and pet crematoria will be required to make it clear to pet owners when they are part of a group and who owns, controls or has a high level of influence over the business concerned. The identity of the group will need to be clearly displayed on signage, at the premises and online. The remedy will help pet owners make informed choices by understanding whether services are independently owned or part of a larger group.
72. We will make it much easier for pet owners to choose a vet practice that meets their needs by requiring veterinary businesses to provide pet owners with information about their OOH care, qualifications, accreditations or awards, and their prices for a standard list of services. This price list will be more comprehensive than is currently offered on most websites (even those that do display some prices). It will focus on those services which are both most commonly used and are most easily understood and compared and will include: consultations, OOH consultations, vaccinations, fees for providing a written prescription, other administrative fees, neutering, microchipping, routine dentistry, a range of common scans, some diagnostic tests and common surgical procedures, parasiticide medicine products, and euthanasia and cremation costs. This will ensure transparency of the significant differences in prices between different practices. Where a veterinary business believes that higher prices are justified by better service, equipment or the like it remains free to indicate this elsewhere on its website, in its premises, or in discussions with pet owners.
73. This information will be collated on a comparison website that will make it easy for a new pet owner, a pet owner moving into a new area or someone unhappy with their current practice to make comparisons between practices in their locality. This will initially be part of the RCVS' expanded Find a Vet website, but the data will become available to approved third parties who would like to provide comparison services to pet owners (subject to certain limitations, such as businesses not being able to pay to influence ranking). We expect there to be considerable interest in this data and that pricing outliers, including those businesses which cannot justify

higher prices (by demonstrating better quality, for example), will be highlighted, for example by the media or by consumer groups.

74. We do not consider there to be a significant risk, as some have suggested, of a 'race to the bottom'. Existing professional regulation ensures high minimum clinical standards. Our remedies will make it easier for pet owners to compare and choose between those lower or higher priced services that best suit them, their circumstances and their pets.
75. Under these remedies, veterinary businesses will operate in the knowledge that more empowered pet owners will directly and indirectly (through consumer bodies and the media) have knowledge of relative pricing and the businesses will be incentivised to price fairly and competitively to win and retain business.

Choosing treatments and referrals

76. When a pet owner is at the vet practice, they may have to make significant choices that affect their finances and the health outcomes of their pet. We have decided that veterinary businesses must provide pet owners with a written estimate which gives them an indication of the costs of the treatment pathway which the veterinary professional is recommending, if it is reasonably likely to be £500 or more including VAT. This will help the pet owner assess whether the option is best for them and their pet, and support them to plan and budget for the likely cost.
77. We have also decided that veterinary businesses must provide pet owners with itemised bills for their pet's treatments and other services they receive so that pet owners can understand what they have been charged for and compare the charges with any previous estimates or prices for similar services. This would enable pet owners to identify potential errors, have more clarity about what they have been charged, track their purchases over time and make more informed choices over future purchases.
78. We have found that the lack of regulation of veterinary businesses means there is the potential for their commercial incentives, and their policies and practices, to conflict with vets' and veterinary nurses' regulatory obligations to provide appropriate and timely information about treatment and referral options, and to recommend the option which best meets the circumstances of the pet and its owner. Therefore, we have decided that veterinary businesses must have written policies and processes in place to ensure that vets and veterinary nurses are able to act in accordance with relevant provisions of the RCVS codes of professional conduct and supporting guidance, including giving pet owners independent and impartial advice about costs and, where appropriate, a range of treatment options and prices.

Purchasing veterinary medicines

79. Pet owners need to be aware of the significant savings they might make when purchasing medicines so they can choose between the benefits of purchasing from their vet practice and of purchasing online. We are therefore making significant changes to support pet owners in choosing cheaper options for veterinary medicines, when it is appropriate for them to purchase medicines online. Pet owners will have to be explicitly informed at certain moments (such as when booking an appointment or when a vet prescribes a medicine) that they can obtain a written prescription. They must also be told, in the written materials, that medicines may be significantly cheaper online.
80. Some vets told us that it would be unusual for a business to tell customers that they could buy products more cheaply from a competitor. We considered this carefully and have concluded that the distinct role of veterinary businesses as both trusted adviser and commercial seller of services in competition with other suppliers of medicines justifies this additional obligation.

Pet care plans

81. Vet practices offering a pet care plan will have to set out the prices of the individual components of the plan as well as the total plan price, and how they have calculated any advertised savings, so pet owners can judge whether the plan offers good value for money for them.

Cremations

82. All FOPs will be required to offer the option of a communal cremation, as we understand the majority already do. They must indicate the full range of options available to pet owners and clearly set out the prices of communal cremations, (more expensive) individual cremations, and any optional add-ons, so pet owners can make an informed choice at this particularly distressing time.

Reducing barriers which limit competition

Measures to reduce barriers to purchasing veterinary medicines online

83. Veterinary businesses will need to provide a written prescription promptly: paper versions must be provided before the pet owner leaves the practice; alternatively an emailed version (to the pet owner or their chosen pharmacy) must be issued within 48 hours. We are making it easier to find (and compare) alternatives to Own

Brand medicines by requiring vets to tell pet owners that there is a clinically equivalent alternative available that could be purchased at third-party retailers.²¹

84. We have decided to set a maximum price for providing a written prescription for the first medication prescribed within a consultation at £21 (including VAT). Any additional prescriptions within the same consultation will have a maximum fee of £12.50 per medicine (including VAT). These fee caps will be adjusted annually for inflation.²²
85. Current charges for prescriptions range widely: the lowest fees are around £10 but significant numbers of FOPs charge over £30 (and some significantly in excess of this). The range of the fees indicates that prescription fees are not currently effectively constrained by competition and that some FOPs are setting prescription fees at unreasonably high levels. We are concerned that, following the introduction of our remedies package, veterinary businesses may be incentivised to raise prescription fees further, to deter pet owners from switching online or to recoup revenues lost as a result of such switching. Such behaviour could significantly reduce or even remove the incentive for pet owners to shop elsewhere for medicines and would undermine the effectiveness our medicines remedy package.
86. Capping the fees that can be charged to provide a written prescription at £21 and £12.50 will ensure that this service remains at a fair price, while making it likely that FOPs can recover their prescribing costs. This will ensure that high prescription fees are not a barrier to purchasing medicines online, when it is appropriate for pet owners to buy them there.

Resolving pet owner complaints

87. We are requiring that FOPs have and follow a written in-house complaint process which meets specified minimum criteria, including informing pet owners of how to complain, and what to expect from the process. Where the complaint cannot be resolved in-house, FOPs must engage in mediation if the pet owner so wishes.

Barriers faced by FOPs who want to switch OOH providers

88. OOH providers will be prohibited from imposing unreasonably long termination periods (which can result in high early termination fees)²³ in their contracts with FOPs. This will make it easier for FOPs to end such contracts if they believe they

²¹ This clinically equivalent medicine is the Reference Product, which means the 'reference veterinary medicinal product' as defined in Section 2 and paragraph 10(1) of Schedule 1 of the VMRs. This is sometimes referred to as the originator product but, in either case, it is the clinically equivalent medicine the Own Brand was derived from. In the PDR, we referred to this as the 'branded equivalent' but have amended this following response to the PDRs that requested greater clarity.

²² We received a strong response from FOPs following the provisional report and carried out substantial additional analysis to strengthen our understanding of the pricing and approaches to prescriptions in the sector to set these fee caps.

²³ More than 12 months.

can get a better service for their customers elsewhere, or if they choose to move to in-house provision.

The role of the RCVS

89. As the current sector regulator, the RCVS has a relationship with all vets and veterinary nurses and, through its voluntary Practice Standards Scheme (**PSS**), with the majority of vet practices. As such, we see it having a significant role alongside the CMA in improving the experience of pet owners, through monitoring compliance by veterinary businesses with the requirements we impose on them, by improving its Find a Vet website so pet owners can easily compare their local practices, and sharing key practice information with approved third parties so they can create comparison tools and guidance. Other actions to support our remedies include informing pet owners about the written prescription process, and that significant savings may be available from purchasing long term medication online, creating a decision tree of pet owners' routes to redress, and assessing complaint data.
90. We have had positive discussions with the RCVS and have been working with it to develop what a monitoring role might look like, and how these other activities might be carried out. We anticipate that the RCVS will provide an Undertaking to perform these activities at the same time as we put into place our Order on veterinary businesses.²⁴
91. More generally we consider that more can be done by the RCVS under the current regulatory regime to put pet owners, and the way in which competition can drive better prices and choices for pet owners, closer to the heart of its regulatory approach (in addition to its proper focus on animal welfare and public health). We are recommending that the RCVS should work with industry to support the development, and increase the awareness and use of Find a Vet, and update its Codes and Guidance, for example to reflect that we will be requiring veterinary businesses to provide a written estimate for treatments over £500 and provide itemised bills.
92. We have decided that additional costs incurred by the RCVS to undertake monitoring and certain other activities (such as collating information for Find a Vet and improving its functionality),²⁵ will be funded by a levy on veterinary businesses in proportion to the number of small animal FOPs they operate.²⁶ We are minded to make an Order to establish this levy, and enable the payment of relevant monies to the RCVS by those businesses, as soon as possible. This should be in advance of making an Order to put the rest of our remedies package that will apply

²⁴ Alternatively, we can impose an Order on the RCVS to require it to engage in these activities, and would do so if needed.

²⁵ Including preparatory costs incurred from the publication of our final report.

²⁶ This will be based on the number of FOPs within each business.

to veterinary businesses in place. We intend that the funding will be in place by the end of July 2026, with the Order to put in place the rest of the remedies package being made by the end of September 2026.

Decisions for government

New legislation

93. Our remedies, and the supporting activities of the RCVS, are limited by current statutory powers. A new Veterinary Surgeons Act is urgently needed. If this were to reflect the changes we recommend, it would give the regulator a duty to oversee veterinary businesses as well as individual vets and veterinary nurses, and give it powers to set, monitor and enforce requirements and standards for both businesses and professionals.
94. We recommend that the new act should specifically impose a duty on the regulator to promote competition and further the interests of pet owners as well as its principal obligations in relation to animal welfare and public health. This would be an explicit recognition that effective competition drives the affordability and choice of veterinary services, which is important to pet owners and without which animal welfare will suffer. It will address the gap that exists now, where the regulator has no duty to consider the interests of the purchasers of veterinary services.
95. We are encouraged by Defra's consultation on proposals for legislative reform.²⁷ Many of those proposals align with our recommendations for a reformed regulatory framework.
96. We are recommending to government the establishment of a comprehensive accreditation scheme to government to help pet owners understand differences in the quality of services different practices offer. This would help explain some variations in prices between practices and help pet owners make choices based on the price and quality of what they are offered.
97. Another of our recommendations is that a reformed regulatory framework should incorporate and build upon the requirements we shall impose through an Order to ensure effective complaints and redress mechanisms. Pet owners who are dissatisfied with the service they (and their pet) have received should have access to effective channels to complain and, where appropriate, be able to seek redress.
98. We recommend that government considers the structure of the regulator. At present, the RCVS is a 'Royal College that regulates': it has roles both in leading the profession and in regulating it. We think government needs to ensure that regulation is, and is perceived to be, strategically and operationally independent

²⁷ [Defra consultation, Reform of the Veterinary Surgeons Act 1966](#), January 2026.

from any professional leadership role. The aim must be to give vets and pet owners confidence that the quality and standards of vet practices are independently set and assessed.

99. To facilitate the development of comparison sites which help pet owners compare practices in their locality we recommend that government establishes a smart data scheme to place Find a Vet, and other price comparison tools, on a statutory footing. This would help ensure that future adjustments to the scheme will best reflect changes to the market and government's wider future regulatory approach.

Veterinary nurses

100. Veterinary nurses provide valuable support care to pets. To become qualified nurses, they must obtain an RCVS-accredited qualification. However, the title of veterinary nurse is not currently protected in statute, meaning that it can be used by unqualified persons too. This could lead to confusion for pet owners.
101. We found that there is uncertainty about the range of tasks that may be delegated to veterinary nurses under the existing regulatory framework. That uncertainty has the potential to harm competition by limiting the services available to pet owners and increasing their cost. It has been put to us that the scope of these activities could be extended subject to appropriate training.
102. We are therefore asking government to consider including in any new Veterinary Surgeons Act both protection of the title of veterinary nurses and expansion of the scope of veterinary nurses' remit. We welcome that Defra's recent consultation reflects these considerations.²⁸
103. We are also asking the RCVS to consider the scope for further guidance on the existing regulatory framework to provide clarity on the tasks that may currently be delegated to veterinary nurses.

Reviewing veterinary medicine regulation

Helping pet owners engage with online pharmacies

104. We are recommending that the VMD ensures that its list of authorised online retailers is accessible and easy to use for pet owners, so that they can find retailers that sell medicines for household pets and be reassured that they are using a regulated supplier.

²⁸ We are mindful that the role of veterinary nurses should primarily be shaped by animal welfare, as well as clinical, and public health considerations, and that there may be unintended consequences or additional aspects outside the scope of this investigation which would need to be taken into account when considering legislative reform to the veterinary nurse role. This is why we are asking the appropriate bodies to consider whether there is scope to further promote competition by amending the regulatory framework that applies to veterinary nurses.

Clarifying prescribing durations

105. During our investigation we heard that there is some uncertainty among vets about how long a prescription can be valid and the duration for which a medicine can be prescribed. We therefore recommend that the RCVS and VMD should each consider²⁹ whether the prescribing guidance they provide to vets, and the way they communicate it to them, is sufficiently clear about the duration for which medicines can be prescribed.

The prescribing 'cascade' rules

106. Veterinary medicine regulation includes a series of rules for the medicines vets prescribe. These are known as the 'Cascade'. We received a high volume of submissions from individual vets, veterinary organisations and animal charities expressing concern over the impact the current Cascade has on the accessibility of affordable medication. We think that the VMD and government should consider amending the Cascade in recognition that cost is already a critical factor in pet owner decisions and, at the least, clarifying when cost can be taken into account. We have also asked the VMD, alongside Defra and the RCVS, to reflect on how medicines are reclassified to increase access to these products outside the FOP setting.

The advertising restriction

107. Advertising of veterinary medicines is restricted by regulation. We have asked the VMD to consider whether there is further scope to reduce the impact of the advertising restriction on competition in the sale of medicines without causing undue risks to public and animal health.

Approach to innovative business models

108. Businesses which offer single services, such as vaccinations, and those who offer Telemedicine services told us that the current regulatory framework is over-protective of traditional business models at the expense of market entry and innovation. We have asked the RCVS to consider whether more could be done to encourage new and innovative services without jeopardising animal welfare.

²⁹ Including during the RCVS' ongoing review of its prescribing guidelines.

Implications of our remedies for veterinary businesses, vets and the RCVS

109. In designing these remedies, we have considered the benefits to pet owners of greater transparency and of more competitive veterinary businesses and the impact of the measures on veterinary businesses.
110. Many businesses and industry bodies have told us that they support many of our remedies, and that they welcome some of the changes we are imposing, notwithstanding the additional costs that they will incur. In particular, businesses and vets told us that they support greater transparency for pet owners on ownership, pricing and (to some extent) written prescriptions and alternative suppliers of medicines. Many were also supportive of providing written estimates and itemised bills and offering communal cremations, noting that many FOPs already did this. They were generally supportive of improving complaint processes and most favoured the remedy to limit notice periods in OOH contracts.
111. We have amended some of our remedies to make them easier to implement, in response to feedback. For example, we have simplified our price list, we have extended the time allowed to provide an electronic prescription and we have taken into account updated information on current levels of prescription fees.
112. Businesses will be affected in various ways by our remedies package. We expect much of it to be positive. The remedies should promote greater trust from pet owners that veterinary businesses are being fair and transparent. FOPs which compare well to their competitors (for example lower prices for the same perceived quality) will find it easier to communicate this to pet owners.
113. There may also be more challenging impacts. First, businesses will incur some administrative costs in implementing the relevant measures. Second, if better-informed pet owners make different choices from those they currently do, this might benefit some businesses and be detrimental to others. We have considered the impact of our remedies on independent businesses and LVGs.

Increased costs

114. It is important that the administrative costs are no higher than necessary to achieve the benefits we seek, are proportionate to the level of that benefit, and do not distort the market by imposing disproportionate burdens on some competitors compared to others.
115. Our assessment is that the administrative costs that will be incurred in implementing our remedies, such as staff time to change systems or produce communication materials, are proportionate given the considerable detriment pet

owners currently experience. We estimate that the cost of these changes will be significantly less than the value of the benefits that would accrue to pet owners.

116. The RCVS will incur some additional costs in carrying out monitoring and certain other activities. These additional costs will be covered by a levy on the veterinary businesses to which our remedies will apply, proportionate to the number of small animal FOPs they operate.
117. For some businesses, complying with our remedies will require less work than for others. Those which already communicate information effectively to pet owners and have a good system for managing complaints, for example, will need to make fewer changes. In general, we anticipate that many of the activities our remedies require will build on current systems and processes.
118. Other measures, such as the requirement to give a written estimate of the total cost of more expensive treatments will apply to only a small proportion of consultations and should not therefore be unduly burdensome. Our analysis suggests that around 20% of treatments for which insurance claims were made over a 12-month period were for £500 or more (including VAT). The proportion of consultations in which a written estimate will need to be prepared is likely to be lower than 20%, because some consultations relate to types of treatments that are not typically paid for by insurers (such as annual vaccinations) and because it may be that several vet visits are involved in delivering a treatment for which a single estimate will be given.
119. Our price caps on prescription fees are at levels at which a substantial proportion of FOPs in the market, including both independent businesses and LVGs, already choose to set their prices. They are high enough to enable reasonably efficient businesses to cover their prescribing costs.
120. Some of our remedies will only affect larger businesses – such as the requirement to be clear about where practices are part of a group.

The impact of our remedies designed to increase competition for medicines

121. A significant number of representations from vets and veterinary businesses suggested that our remedies aimed at enabling pet owners to make better-informed choices when purchasing prescribed medication (including making them aware of the financial benefits of purchasing online rather than from a FOP) could have financial consequences for veterinary businesses. Their concern is that, for many FOPs, revenues from the sale of veterinary medicines – in some cases at prices well above the wholesale cost – have long contributed to meeting the wider costs of operating the FOP. The loss of this revenue would therefore impact their current business and financial model.

122. Our remedies will not oblige pet owners to use online pharmacies. Pet owners will be told about the option to do so and that there are potential cost savings. In a well-functioning market, pet owners would understand their options and veterinary businesses would be encouraged to compete on the price and quality of the services they provide. One potential adjustment is for vet practices to offer more competitive prices for veterinary medicines to keep the sale within the FOP.
123. The loss of medicine sales, or a strategy of reducing medicine prices, could affect some businesses' financial position. We note that a substantial portion of the market is making profits above their cost of capital, so they should be able to reduce prices for medicines without raising prices for other services. Where a business is not earning high economic profits, this may not be possible. Stronger competition may incentivise greater efficiency. In some businesses, there is scope to reduce costs by improving the process of providing a written prescription or reducing the purchase cost of medicines through joining a buying group with preferred products.
124. Some veterinary businesses may change their approach to pricing and move to a situation where they no longer overcharge some pet owners for medicines to keep prices lower for other services – a decision that some veterinary businesses have already taken in response to an existing trend for more online medicine purchases. If better-informed choices by pet owners lead to veterinary businesses adjusting how they operate, we consider this to be an indication of a well-functioning market.
125. We have not seen a persuasive or cogent argument for preserving the status-quo in which some pet owners – particularly those whose pets have chronic conditions or who are less well-informed – pay more than necessary for veterinary medicines in order to subsidise the professional fees paid by all pet owners.

The position of independent veterinary businesses

126. We have given particular consideration to the position of the smaller independent businesses. In particular, we considered whether to exempt smaller practices from some of our remedies. The problems we have found in the veterinary industry are not confined to the LVGs. High mark-ups on medicines and poor information on pricing, for example, occur across the industry. Measures that help pet owners compare vet practices can be effective only when all FOPs provide the relevant information. We have concluded that pet owners who use small practices should not be deprived of the benefit of our market opening and transparency measures.
127. We believe that our measures to support better informed pet owners will be beneficial to many independent vet practices because:

- According to our analysis, independent practices are on average cheaper (but are perceived to provide similar or higher quality) than many practices which are part of LVGs; increased pricing transparency would highlight this.
- Our measures will make clear which FOPs are independent and which are not, allowing pet owners to compare the different offerings. As noted above, for pet owners who care about ownership, more than two thirds prefer to use an independent practice.

128. We have concluded that smaller businesses need more time to introduce many of our changes than larger ones. They are less likely to have the internal administrative support to make the changes and to help them adjust to a more competitive market, and the relative costs to them may be greater.
129. For many of our remedies, we intend to give larger veterinary businesses³⁰ an implementation period of three months and smaller businesses six months (from the time at which we make our Order and the remedies come into force).³¹ For other remedies, LVGs will have nine months to implement the requirements, with smaller businesses having twelve months.
130. We are not requiring the smallest businesses (which constitute 70% of all veterinary businesses) to provide an annual attestation to the RCVS to demonstrate that they are complying with our remedies (though they will need to meet the relevant requirements of the remedies Order).

Impact on the LVGs

131. We received a number of representations, from vets and others, that we should give specific attention to LVGs given their significant and increasing presence in the market and the fact that some of them charge higher prices and earn greater profits than the average independent practice. The solution to this is greater openness across the market as a whole, as well as making sure that all larger groups (those with more than one practice) are very clear that their FOPs, referral centres, crematoria and online pharmacies are part of the group – on signage, in premises and online.
132. If pet owners can easily compare prices and be sure if their practice is part of a group there will be pressure on higher priced practices or those with common brands to ensure that their pricing and quality standards meet pet owner needs. Such comparisons are only possible if all practices, not just LVGs, are subject to our remedies. It is also important that pet owners at all practices benefit from our

³⁰ Those with 15 FOPs or more.

³¹ Those periods are in addition to the period of up to six months between making our final decision and making our remedies Order.

remedies such as having a good complaints process in place and prescription fees capped at a reasonable level.

133. Our Order will, for the first time, impose certain requirements on veterinary businesses to ensure that the interests of their customers are protected. The regulatory reform that we are recommending – and that Defra appears to be taking forward – should ensure that veterinary businesses are adequately regulated in legislation. This will mean that non-vets who play a significant role in setting prices, quality standards and processes in veterinary businesses will, finally, be subject to compulsory regulation to protect consumers and animal welfare.
134. Our extensive enquiry has not found evidence that the structure of the market (for example, the number of competitors) is a problem. The ‘acquisition effects’ of certain LVGs are not driven by too few FOP competitors across most local areas but are a result of there being ineffective competition between those FOPs which are in the market, and of (some) LVGs operating a particular business strategy in response to this. We are not, therefore, pursuing divestments of (parts of) businesses; rather our remedies are aimed at improving competition between all types of practices.
135. We do not consider that it would be effective or proportionate to reduce or cap the level of ownership of practices by LVGs. Our remedy on transparency of ownership and pricing seeks to help pet owners make more informed choices about which vet practice to use, driving competition between suppliers. It is not for us to set the optimal mix of business models in the industry.
136. Previous CMA merger investigations in the veterinary sector have led to divestments of FOPs to address competition concerns, limiting increases in concentration in the relevant local markets. The CMA will continue to carefully consider the likely impact of particular transactions on prices in local areas. In line with its current practice, the CMA will continue actively monitoring merger activity in the veterinary sector for any relevant acquisitions that may harm competition and will take account of the analysis undertaken in this market investigation regarding competitive dynamics as appropriate.
137. We have seen no evidence that LVGs which own referral centres, crematoria or laboratories have sought to exclude access to such services by rival FOPs and therefore our judgement is that we have no reason to require divestment of these businesses. Similarly, the ownership of online pharmacies by LVGs does not – based on our detailed assessment of the evidence – prevent rival FOPs or online pharmacies competing effectively with them. We therefore found that there was no basis to require LVGs to divest their online pharmacy businesses.
138. It was put to us that making it easier for pet owners to assess the value of buying medicines online would unfairly benefit the LVGs which own large online

pharmacies. The focus of our inquiry is to ensure that pet owners can benefit from more effective competition. LVG-owned online pharmacies compete with each other, and other online pharmacies, and prices are low compared to FOP medicine prices. We have seen nothing to suggest that the online pharmacy sector is not competitive or that there are material barriers to entry, for example, by new independent online pharmacies, wholesalers, buying groups or other LVGs. Neither have we seen persuasive evidence that the FOPs owned by LVGs that have online pharmacies would have a competitive advantage over other FOPs as a result of our measures.

Why we are not pursuing certain remedies

139. Given the concerns that we have identified, we considered whether to impose a price control on some, or indeed all, veterinary services. We have decided not to do so with the exception of the fees for providing written prescriptions.
140. We have focused on measures that will open up competition and enhance the regulatory oversight regime, rather than imposing a general price control, for three reasons.
 - (a) First, transparency and market opening remedies seek to ensure that veterinary businesses respond to the needs of pet owners by innovating, offering choices and pricing competitively. While price controls may be an appropriate option in some markets, a general price control is likely to be particularly ill-suited to this complex multi-product clinical services sector served by a number of different business models.
 - (b) Second, for many veterinary services, particularly the more complex ones, there are no standard prices, and costs will vary significantly depending on the circumstances of the animal being treated and the clinical assessment by the vet. It would be impossible to control such prices centrally.
 - (c) Third, even for more standardised products, such as medicines, there are thousands of animal medicines available, many in different formulations and dosages. Setting and regularly updating prices for all of these (or even for, say, the 'top 100') would be hugely complex and expensive to establish, monitor and enforce and would require precise judgements on the appropriate price for different medicines that would need to be reviewed on a regular basis. The administrative and enforcement costs for the CMA and for the vet practices themselves would be considerable, and so this remedy is unlikely to be proportionate to the benefit that would be gained, particularly when assessed against the prospect of a market opening remedy that seeks to harness competition from online pharmacies on medicines pricing.

141. Similarly, we have decided that measures to cap profitability of businesses would be disproportionate. There would be significant challenges in assessing the profitability of thousands of veterinary businesses and in enforcing limits to their profits. Caps on overall profits or prices would also have a significant risk of unintended consequences due to their potential to reduce the incentives to maintain and invest in the quality of veterinary services.

We will now act to make these remedies legally binding

142. This final report ends the market investigation into veterinary services for household pets. The next stage is to put into place an Order on businesses which enacts our remedies (and accept Undertakings from the RCVS).³² We have six months to do this, so it must be completed by 23 September 2026
143. As part of the next stage, we will consult with interested parties on a draft Order and Undertakings. The first of our remedies will come into force from the date that the Order is in place (changes to notice periods in out-of-hours contracts) and the other remedies will be implemented from three to 12 months from that date.
144. Pet owners should, therefore, begin to benefit from our remedies from the end of this year with some change coming later to allow veterinary businesses time to adjust their processes and systems. We will continue to work with government as it progresses its proposed changes to the out-of-date legislation in this sector.

³² Or, if necessary, make an Order against the RCVS.