I do not agree with the proposed funding model for the RCVS activities. While I understand that the RCVS will need funding to deliver and monitor the remedies, I think making veterinary practices pay for this through a compulsory levy completely undermines one of the CMA's main aims, which is to reduce costs and improve outcomes for pet owners.

Any new levy simply becomes another overhead for practices. Independent practices cannot absorb an ever increasing number of additional costs. Like any other business, these costs will inevitably be passed on through our fees. That means clients will ultimately be paying for the new regulatory system. It seems contradictory that a market investigation which has focused so heavily on reducing costs for consumers is introducing a new cost that is almost certain to increase the cost of veterinary care.

I also think this creates a regulatory paradox. The CMA has identified customer detriment and has designed remedies to improve competition and reduce that detriment. However, the mechanism chosen to fund those remedies is one that will increase operating costs across the profession. It is difficult to see how increasing the cost of providing veterinary care can result in lower costs for pet owners.

The impact on independent practices will also be far greater than on the large veterinary groups. Although the levy is charged per practice, the financial impact is not equal. Large groups have central compliance teams, dedicated administrative staff and economies of scale that allow them to spread additional regulatory costs across hundreds of practices. For an independent practice every new regulatory requirement falls on the owner or a very small team. Every additional hour spent on compliance is an hour that cannot be spent treating patients or running the business.

This is particularly concerning because the CMA has repeatedly recognised the importance of independent practices in maintaining competition and consumer choice. These proposals risk having the opposite effect. A cost that represents a relatively small inconvenience to a corporate group can represent a significant burden to an independent practice. The result is that the remedies may unintentionally widen the gap between large corporate groups and independent practices rather than creating a more competitive market.

The Final Report states that charging each first opinion practice an equal levy was preferred because alternative approaches based on turnover or business size would create additional administrative burden. I do not think that is sufficient justification. The difference in financial resilience between a single-site independent practice and a business operating hundreds of practices is enormous. A funding model that ignores this difference is not proportionate simply because it is easier to administer.

I would therefore ask the CMA to reconsider the proposed funding arrangements. If the objective is to improve affordability for clients and support competition, the funding mechanism should not itself increase prices for pet owners or place a disproportionate burden on the independent practices that the CMA is trying to protect.