vetPartners

Veterinary services for household pets in the UK
VetPartners' response to the CMA's formal consultation drafts of the Funding Order, Funding Undertakings and related documents dated 30 June 2026
(submitted 28 July 2026)

Introduction

1. VetPartners welcomes the opportunity to comment on the draft Funding Documents[1] published by the CMA for formal consultation on 30 June 2026. VetPartners has previously provided comments on an early draft of the funding order and undertakings.[2] Our comments in this response will focus on the key areas of concern.

2. The overarching objective of this response is to ensure that the Funding Documents, including in particular the Explanatory Note, are sufficiently clear, so that veterinary businesses can easily understand and implement the Funding Order in a consistent manner.

3. As a general matter, VetPartners understands that the CMA will ultimately ensure that the Funding Documents in their final form are consistent with the Substantive Remedies Order and Substantive Remedies Undertakings, which have only recently been published and which we are reviewing. Therefore, we will not comment on all areas of potential inconsistency.

FOPs should not be required to cross-subsidise the RCVS's regulation of referral centres

4. The Funding Documents state that, consistent with the FDR,[3] "*the regulated party should pay for its regulation*".[4] However, 'referral-only centres' appear to be largely excluded from the scope of the Funding Order, despite being 'regulated' through a number of RCVS activities that will require the RCVS to incur costs to ensure their compliance.

5. VetPartners has previously cautioned the CMA against drawing sharp distinctions between referral and primary care services, as many sites offer both services. Therefore, due to the rather arbitrary distinction in the Funding Documents as currently drafted, some providers of referral services will be required to pay the Levy, while others will not.[5] This distorts competition between providers of referral services and effectively requires the Levy-paying sites to subsidise the regulation of their competitors. We request the CMA to revisit this approach.

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1 The draft Veterinary Services Market Investigation (Funding) Order 2026 **("Funding Order")** and notice, the draft Veterinary Services Market Investigation Royal College of Veterinary Surgeons (Funding) Undertakings 2026 (the **"Funding Undertakings"**) and notice, the draft Explanatory Note, and Annex 1 *(RCVS Submission of Funding Estimate for the Initial Relevant Period*), published by the CMA on 30 June 2026 (together, the "**Funding Documents**").

2 See VetPartners' comments on the CMA's informal consultation submitted on 18 May 2026 ("**VetPartners' comments on informal consultation**").

3 FDR Part B, paragraph 11.71.

4 Funding Order notice article 15(a).

5 See for example Funding Order, article 4(2)(a) and the definition of "FOP" and "OOH Centre".

The scope and application of the Funding Documents must be clarified in the explanatory note

6. In the current proposal, the Levy must be paid in respect of each FOP and each OOH Centre operated by a Qualifying Veterinary Business, each as defined in the draft Order. Based on the proposed definitions, the Levy will not be payable by referral-only centres, farm and equine practice sites, or other providers of Veterinary Services that <u>do not "*offer*"</u> FOP Services or OOH Services.

7. Given the complex legal framework applied by the Order which captures certain veterinary businesses that would not typically be considered 'FOPs' or 'OOH centres', the CMA should clarify in the final Explanatory Note that the Levy:

   - **<u>Will not be payable</u> in respect of farm and equine sites** that may *provide* occasional primary care services to Household Pets but do not "*offer*" such services to the public (e.g., incidental treatment of a neighbouring farmer's dog).

   - **<u>Will be payable</u> in respect of 'mixed practice sites'** and **'referral centres'** that "offer" FOP Services or OOH Services for small animals, even if such services represent only a small proportion of their overall activities (and regardless of whether they are ultimately classified as an FOP or OOH Centre under the Substantive Order).

8. Clarity around the intended subjects of the Levy is critical, as it directly affects the amount to be paid for each subject (since the Levy is based on a methodology which divides the total estimated costs by the number of FOPs and OOH Centres).

Veterinary businesses that offer FOP Services and OOH Services from the same site should not pay twice

9. The Funding Order and Explanatory Note state that Qualifying Veterinary Businesses will "*pay for each FOP and each OOH Centre <u>it operates</u>*"[6]. Consequently, the intention appears to be that the Levy applies to a Veterinary Business that operates an OOH Centre, rather than to the site owner. A Qualifying Veterinary Business that provides FOP Services and OOH Services from the same site would only be required to pay a single Levy. Similarly, a Qualifying Veterinary Business would not be required to pay a levy in respect of OOH Services provided by a third party at its FOP site.

10. The Explanatory Note should clarify this, so that Qualifying Veterinary Businesses do not, inadvertently, end up overpaying.

The RCVS undertakings must include additional safeguards

11. VetPartners proposed various guardrails in the VetPartners response to the early draft of the Funding Undertaking (submitted on 18 May 2026), which are not reflected in the draft Funding Undertaking. To ensure that the RCVS Levy is calculated at a reasonable amount, provides value for money, and is not tainted by conflicts of interest, the following points must be clarified in the final Funding Documents:

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[6] Funding Order, article 4.2(a), and Explanatory Note, para 28.

- **The RCVS should not accumulate a surplus**:[7] Any surplus generated from the Levy should be applied to reduce the Levy in subsequent periods, and the RCVS should neither accumulate long-term reserves beyond what is reasonably required for short-term cash flow nor be able to use such funds for any other purpose. VetPartners understands that this is consistent with the CMA's intentions articulated in the FDR which stated that there should be provisions requiring "*the carryover to subsequent years' budgets of any underspend by the RCVS*".[8] However, this must be made explicitly clear in the RCVS undertakings, to mitigate the risk of future ambiguity or disputes.

- **The RCVS consultation process must be meaningful:**[9] As part of the RCVS's public consultation process, the RCVS must record its reasoning when rejecting material consultation submissions, so that affected parties, and the CMA can understand the RCVS's process and thinking. This will ensure that consultations are meaningful rather than merely mechanical.

- **The RCVS must avoid conflicts of interest**:[10] The RCVS should be required to provide information regarding the engagement and selection of any third parties to carry out the RCVS Activities (as defined in the Funding Order), including confirmation that such third parties have been selected through a fair and competitive process and that any actual and potential conflicts of interest have been identified and managed. This is important to ensure a fair and transparent process.

The information to be published regarding the RCVS Funding Estimate for the Initial Relevant Period is insufficient

12. VetPartners has previously proposed to the CMA that Qualifying Veterinary Businesses must be consulted on the RCVS Funding Estimate for the Initial Relevant Period (in the same manner as for Subsequent Relevant Periods).[11] In addition, given the significant work likely to be required to set up the RCVS to perform the RCVS Activities effectively, we suggested that the CMA establish a sector working group through which affected parties can contribute insights and relevant experience relating to the RCVS's initial set-up.

13. It is disappointing that the CMA has so far opted not to publish the full RCVS Funding Estimate including annexes containing detailed costings for the Initial Relevant Period. The condensed and high-level summary, published in Table 1 in the middle of the Funding Order notice does not provide the information necessary for stakeholders to provide meaningful comments in this consultation.

14. Without access to the underlying analysis and assumptions made by the RCVS and its external providers, stakeholders are unable to verify the accuracy or reasonableness of the RCVS Funding Estimate, or the CMA's assessment. Therefore, we request that the CMA provides public access to the RCVS Funding Estimate for the Initial Relevant Period. This

[7] Funding Undertaking, definition of 'RCVS Funding Estimate', paragraph 2.1(d).
[8] FDR Part B, para 2.70(d).
[9] Funding Undertaking, paragraph 3.2(a).
[10] Funding Undertaking, paragraph 7.2.
[11] See VetPartners' comments on the informal consultation.

would not only serve transparency and due process, but would also benefit the CMA and RCVS in the form of the expertise that stakeholders can contribute to this critical part of the remedies.

The indicative Levy is too high and places an unreasonable burden on top of the significant costs of compliance with the FDR

15. The indicative Levy of c.£400 per FOP and OOH Centre site places an additional financial burden on practices already facing significant costs from the wider remedies implementation process. The CMA has acknowledged that the cumulative burden of remedies is higher than when assessed on a remedy-by-remedy basis[12] but has not taken this into consideration in its assessment of the proposed Levy. Therefore, this cumulative burden should be taken into account when determining the final Levy.

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[12] FDR Part B, para 11.65.