30 July 2026

CVS Response to CMA Consultation on draft funding Order and Undertakings

1 Introduction

CVS welcomes the opportunity to respond to the CMA's consultation on the draft Veterinary Services Market Investigation (Funding) Order 2026 (the "**draft Funding Order**") and the draft Veterinary Services Market Investigation Royal College of Veterinary Surgeons (Funding) Undertakings 2026 (the "**draft Funding Undertakings**") and other associated documents, published on 30 June 2026 (together, the "**draft Funding Documents**").

CVS sets out below its response to the CMA's consultation. Unless otherwise indicated, defined terms are set out in the draft Funding Documents.

2 Definition of a FOP

CVS continues to have concerns regarding the definition of a FOP in the draft Funding Documents. In particular, as presently drafted, "FOP" risks capturing mixed practices which may only incidentally see a very small number of companion animals (for example, an equine practice that might occasionally give vaccines to yard dogs during a visit to see horses). These practices, which were not within the scope of the market investigation, should not be unintentionally captured within this definition (and as a result, subject to the Levy).

CVS has previously proposed amending the definition to clarify that a FOP is a site which a Veterinary Business *specifically or primarily operates to provide* primary veterinary care for Household Pets, rather than the lower threshold of a site at which such care is merely *offered*. In this regard, we note that in the draft Substantive Order Explanatory Note, the CMA has added a caveat expressly noting that "*a business which offers only mixed services for farm and equine animals but where a vet may incidentally and occasionally treat a Household Pet (for example, a farmer's dog), will not be a Veterinary Business subject to the Substantive Order*". CVS welcomes this clarification, and understands this will be reflected in the draft Funding Documents when finalised.

3 Clarification regarding the scope of an "OOH Centre"

CVS notes that the draft Funding Documents rely on a standalone definition for the provision of OOH Services and require the Levy set for a Qualifying Veterinary Business to be calculated based on each FOP and each OOH Centre.

CVS' understanding of the draft Funding Documents is that:[1]

- A single site, premises, or location can fall within the definition of a FOP or an OOH Centre. As the Levy is payable per FOP and OOH Centre, this would result in two separate Levies.
- An OOH Centre is defined as providing "OOH Provider Services", i.e. a place where a Qualifying Veterinary Business <u>exclusively</u> provides dedicated out of hours services. Conversely, a FOP which provides "OOH FOP Services" is a place where a FOP provides its services during normal working hours as well as out of hours.

[1] See Draft Explanatory Note, paragraphs 24-25.

- Qualifying Veterinary Businesses with FOPs that provide out of hours services will only need to pay one Levy unless the out of hours services provided are "separate" from the normal hours services of the FOP. This is not explicitly clarified in the draft Funding Documents. However, CVS' interpretation is that a FOP's out of hours services will be "OOH FOP Services" provided they are <u>not</u> commercially independent of the FOP site (for example, they have shared buildings, charges and drugs and consumables).

A clear and unambiguous understanding of what constitutes an "OOH Centre" is particularly important, given it could have a material impact on the Levy owed by a vet business each year. CVS respectfully requests that the CMA adds worked examples to the Explanatory Note which illustrate the specific circumstances in which a FOP's OOH services would and would not give rise to a separate OOH Centre levy. The draft Explanatory Note already provides useful examples of how to calculate levy payments under Part 2 of the draft Funding Order; similar examples clarifying when OOH services fall within "OOH FOP Services" or "OOH Provider Services" would provide much-needed certainty for the entire profession and minimise the risk of confusion or inadvertent non-compliance.

4 Definition of "ADR"

The definition of "ADR" in Part 1 of the draft Funding Order differs from the definition used in the draft Substantive Order, which reads: "*'Alternative Dispute Resolution' and 'ADR' refers to ways of resolving disputes between consumers and traders that do not involve court proceedings.*" CVS suggests that the definition is aligned across the documents for consistency.

5 Contact Person required for Part 3 of draft Funding Order

Regarding Part 3 of the draft Funding Order, CVS notes that it is not clear whether the named individual provided in Article 5(1)(d) should be responsible for verifying actual compliance (or is merely the individual responsible for communicating with the RCVS about compliance). CVS would appreciate clarification from the CMA on the intended scope.

CVS also suggests the drafting is amended as follows:

> "*the name and email address of an individual who has authority to act on behalf of the Qualifying Veterinary Business and is responsible for communicating with the RCVS about the business's compliance with this Order*".

6 RCVS Funding Estimate

CVS notes that the RCVS has applied contingency percentages of between 5% and 15% to different RCVS Activities, reflecting its assessment of the uncertainty involved. CVS accepts that contingencies for the Initial Relevant Period may be justified given that the funded activities are new and involve significant set-up costs, including large IT implementation projects.

Notwithstanding this, it is reasonable to expect this uncertainty will materially reduce once the RCVS begins its new activities. As the CMA itself acknowledges, the level of uncertainty regarding the estimated costs will be highest in the Initial Relevant Period and should reduce over time as the RCVS gains experience of operating the systems and processes.[2] CVS therefore expects this to be reflected in future cost estimates by way of materially lower contingencies for subsequent periods.

[2] Draft Funding Order Notice, paragraph 72.

7 Conclusion

CVS welcomes the opportunity to discuss any of the above with the CMA and would be happy to provide further detail on any point raised in this response.