

## Competition and Markets Authority investigation into veterinary services for household pets: joint response to the working papers setting out the current assessment of the evidence gathered and emerging views

1. The British Veterinary Association (BVA) is the national representative body for the veterinary profession in the United Kingdom. With almost 20,000 members, our mission is to represent, support and champion the whole UK veterinary profession. We are a professional body, and our members are individual veterinary surgeons. We take a keen interest in all issues affecting the profession, including animal health and welfare, public health, regulatory issues, and employment matters.
2. We welcome the opportunity to respond to the CMA's working papers which set out the current assessment of the evidence gathered to date and the CMA's emerging views. Our submission has been compiled jointly with four of our specialist divisions and affiliate organisations, for which the investigation has the most relevance:
  - The British Small Animal Veterinary Association (BSAVA) which has a membership of 11,000 individuals mainly comprised of veterinary surgeons working in small animal practices treating household pets but also includes registered veterinary nurses (RVNs) and student veterinary surgeons and nurses. Its mission is to enable the community of small animal veterinary professionals to develop their knowledge and skills through leading-edge education, scientific research, and collaboration. It works closely with BVA to represent and support the profession in specific areas of relevance to small animal practitioners.
  - The Society of Practising Veterinary Surgeons (SPVS) whose mission is to provide a supportive membership community offering representation and industry-leading guidance for leaders in veterinary practice.
  - The Veterinary Management Group (VMG), who are the UK's leading representative body for veterinary professionals working in leadership and management roles.
  - The British Veterinary Nursing Association (BVNA) is the independent membership organisation providing services to and representing the veterinary nursing community with 6,500 members. We have a strategic alliance, and their mission is to empower veterinary nurses to develop as individuals and increase their impact on the profession and animal welfare.
3. We have greatly appreciated the many opportunities to engage with the CMA as the investigation has progressed. We consider that the emerging thinking set out in the working papers clearly shows that the inquiry group has been listening to the concerns raised and is working hard to understand the complexities of both the veterinary landscape and how clinical services are delivered. We are particularly pleased to see the hard work and dedication of vet teams acknowledged and welcome the assurances that nothing in the investigation should be taken to cast doubt on the professionalism, clinical skills or ethics of the vast majority of individual veterinary practitioners.
4. We support the CMA's view that in order for animals to be protected and well cared for, we need a thriving veterinary industry, staffed by dedicated and capable vet professionals. We also agree that it is important that the provision of veterinary services works well for consumers. We have been clear that we fully support healthy competition, consumer choice and diversity of business models as this

enables clients to select from a wide range of veterinary service providers – whether vet practices are small independents or part of a large chain - choosing the best option for their needs and for the health and welfare of their animals.

5. We have previously highlighted that the veterinary profession is operating in a very challenging landscape, and we welcome the CMA's acknowledgement of the significant changes the sector has undergone over the last 10 to 15 years.
6. We particularly welcome the CMA's recognition that Veterinary Surgeons Act 1966 is outdated and has not kept up with changes in the industry. As we have explained, alongside the RCVS, BVA and BVNA are lobbying for legislative reform, supporting a raft of RCVS recommendations under the headings of embracing the vet-led team, enhancing the role of RVNs including protection of the veterinary nurse title, fitness to practise, and mandatory practice regulation.<sup>1</sup> More recently, we have begun work with Defra on a series of policy proposals for public consultation, ahead of developing a draft Bill which will ultimately lead to veterinary legislative reform.
7. Although veterinary legislative reform is essential for the future of the veterinary professions and will address many of the challenges highlighted during the course of the investigation, we recognise that it represents a longer-term solution and that there are some consumer-facing solutions which could be implemented in the short to medium term. Although the household pet veterinary sector is robust and adaptable, veterinary professionals are already working under tremendous pressure. For that reason, we would ask that any proposed remedies, including those relating to medicines, are carefully considered and introduced in a way that allows businesses to adapt, as well as avoiding any unintended consequences. We do however recognise the need for change, and we are keen to play our part in supporting a well-functioning market.

## Summary of responses to the working papers

8. We are responding in full to each of the CMA's working papers. However, given the level of detail in each paper and the considerable overlap in content, we have summarised our key points under the headline concerns in the CMA's overview paper as follows:

**CMA concern: Consumers face difficulties in making informed choices about the services they buy. There appears to be limited information available to pet owners about price, options available, quality of services and (in some cases) ownership of vet businesses.**

- We agree that there is a lack of available and comparable information available to pet owners on price, quality or business ownership.
- Transparency around costs and the true value of veterinary care is key to giving clients choice. Practices should be able to tailor price lists to display those services which are most relevant to their client base.
- We do not support a 'one-size-fits-all' approach in the shape of an online comparison tool for pricing as this risks diminishing the value of veterinary care and fails to take into account the critical importance of contextualised care.
- We do not support mandatory standardised metrics for quality outcomes. Although quality measures for surgical outcomes are available and increasingly used, for most clinical cases the variability in case complexity, treatment protocols, and patients, could lead to misleading comparisons and potentially misinform consumers rather than aiding them in making informed decisions.

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<sup>1</sup> <https://www.bva.co.uk/take-action/our-policies/legislative-reform/>

- Information about the ownership of vet businesses should be provided to clients in the terms of business, readily available on the practice website, and at the practice premises.

**CMA concern: Consumers appear to place relatively little weight on price when choosing a veterinary practice or when making decisions about treatment.**

- We recognise that many owners may not consider multiple options when choosing a vet practice. When they do, and as we have previously stated, the factors they take into consideration will vary depending on individual circumstances, with proximity and accessibility likely to be key.
- Decisions about non-routine treatments and diagnostics are likely to be more urgent and involve greater information asymmetry between pet owners and vets. This is when an established Vet-Client-Patient-Relationship (VCPR) built up over time becomes all the more important, facilitating the delivery of contextualised care even in emergency situations.

**CMA concern: Pet owners often do not shop around or switch providers even when they might get lower prices, or a service better suited to their circumstances, elsewhere.**

- The way in which veterinary care is delivered and valued is far removed from the way consumers behave when shopping around for more 'transactional' services such as insurance or utilities. Clients who frequently switch practices risk fragmented care for their pet, potentially leading to suboptimal treatment and communication, and additional cost.

**CMA concern: There has been a long period of sustained price rises for the delivery of vet services, higher than the level of inflation, and increases in vet salaries.**

- Increasing technological advances mean that vets now have the ability to detect and treat more complicated medical and surgical cases. Along with advances come rising veterinary costs.
- Client expectations have also changed significantly, often reflected in a greater desire to spend more on their pet's health. This has also seen average consultation times increasing in the last decade from 6-10 minutes in length to closer to 15-20-minutes in order to deliver the service now expected by clients

**CMA concern: Vet businesses have high retail prices for veterinary medicines, which have increased significantly in recent years.**

- To facilitate choice with regard to medicines there should be a consistent approach with practices proactively offering a prescription where clinically appropriate and providing clients with dispensing options, alongside clear communication regarding the cost of the prescription.
- Prominently displaying the fees most commonly associated with administering and dispensing medicines should be relatively simple to implement now and could also be introduced as a reasonable requirement of mandatory practice regulation in the future.
- We do not support imposing a maximum charge for issuing a written prescription as this would result in prescription fees becoming standardised, with most clients likely paying the maximum. Instead, practices should clearly display their prescription fee to help clients make an informed decision.
- Vets should have the clinical freedom to prescribe a licensed veterinary medicine by generic name and/or a specific trade name depending on the context and what is best for the animal and owner's circumstances.

- We welcome the CMA's emerging view that prescription length is not a barrier to using third-party retailers and strongly support vets being able to retain their professional autonomy in matters of responsible prescribing and dispensing.
- We would support further investigation as to the reasons why some FOPs and third-party retailers do not or cannot join buying groups with Preferred Products or, in some cases, decide not to join a buying group at all.
- Dismantling the Cascade and allowing human generic drugs to be prescribed to animals brings risks to both animal welfare and antimicrobial resistance (AMR). There is a role for RCVS and VMD in providing improved clarity around the application of the Cascade to support vets in decision-making.

**CMA concern: Initial analysis suggests that around 6% of local areas are served by only one or two FOPs.**

- We welcome the CMA's finding that the supply of FOPs is not generally concentrated, with 85% of FOPs competing with at least three local rivals. In fact, there are only 49 FOP sites identified by the CMA which may not face competition from any other local providers, accounting for only 1% of total sites. Those sites with no competition probably exist in areas where there is insufficient caseload for multiple veterinary businesses to exist.

**CMA concern: There may be limited consumer choice of services such as referral centres for more advanced diagnostics and treatment, especially for highly specialised services.**

- Referrals involve considering the animal's health needs alongside accessibility and convenience for the client and will be also based on close professional relationships between referring and referral clinicians. Explanatory resources for clients, including greater clarity around the qualifications of the referral vet, should be developed.
- The CMA's stated intention to potentially carry out further analysis of concentration of referrals at a specialism level is unlikely to provide meaningful data. The presence of a specialist is informed by the availability of sufficient caseload.
- Self-preferencing for cremation and other services has the potential to bring efficiencies which financially benefit the client. Where the cremation service is associated with the practice and owned by the same company, this should be clearly communicated to clients.

**CMA concern: Many local vet practices have little choice of supplier when they outsource their obligations to provide out of hours (OOH) services.**

- We would strongly advise against any remedies which shift the requirement to deliver OOH back to individual vet practices. For many, this would be commercially unviable to deliver due to insufficient demand set against the challenge of modern working practices and recruiting to cover an OOH rota in addition to the normal daytime provision.

**CMA concern: Consumers may be offered more complex, higher cost services without being given the option of simpler, lower cost alternatives that may be equivalent or better for animal welfare and which some consumers may prefer.**

- There is scope for further debate and guidance for veterinary professionals, including undergraduates, on how to deliver contextualised care.

- There should be a shift towards new models of pet healthcare plans which focus on tailored check-ups rather than relying on the sale of products.

**CMA concern: The regulatory framework does not help drive competitive processes and good consumer outcomes in the way that would be expected in a well-functioning market.**

- We consider that more could be done to promote the RCVS Code, including changes and additions to it, and to ensure that all registrants are up to date and compliant. RCVS would need access to a much wider range of sanctions to support this.
- We support the development of a modern ‘fitness-to-practise’ regime, in line with the principle of right-touch regulation, to focus on remedial action in relation to the individual and the wider context within which they work.
- We strongly support the CMA’s emerging view that Registered Veterinary Nurses (RVNs) could be more fully and effectively utilised within the framework of existing legislation and that greater clarity with respect to interpretation of the existing regulatory framework could help enable this.
- Extending the range of tasks that RVNs are permitted to undertake, with appropriate additional training and supervision, could offer positive benefits for veterinary professionals, animal owners, and animal welfare.
- The protection of the veterinary nurse title is long overdue and would enhance transparency and consumer confidence, improve consumers’ ability to compare offerings between firms and therefore help stimulate competition between rivals.
- Mandatory practice regulation should be introduced as part of veterinary legislative reform.
- A formal, agreed and consistent complaints process for the veterinary sector, that is both pragmatic and proportionate, should be introduced as part of Supporting Guidance to the RCVS Code and then made part of the requirements of mandatory practice regulation.
- There is scope for better promotion of the Vet-Client Mediation Service (VCMS) both within the professions and to clients. Any development of the current framework should be careful to avoid the unintended consequences of the loss of person-centred complaints resolution at a local level.