

Competition and Markets Authority working paper on business models, provision of veterinary advice, and consumer choice

1. In order to meet the needs of pet-owners and the welfare of their animals, veterinary practices must function as financially sustainable, viable businesses. This means they need to charge appropriately for their services, to cover a range of costs including salaries, equipment, medicines, premises, and other overheads, as well as make a reasonable return on investment and an appropriate level of profit such that they are incentivised to improve quality, innovate, and expand. We have always been clear that we fully support healthy competition and diversity of business models so that clients can select from a wide range of veterinary service providers, whether 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 animal.
2. As outlined in the working paper '**Regulatory framework for veterinary professionals and veterinary services**' the Veterinary Surgeons Act 1966 does not reflect the way the sector currently operates; in particular, it contains no provision to regulate vet businesses. We agree with the CMA's observation that the changes in ownership and management structures mean there is a range of actors – corporate bodies and individuals – not subject to direct regulation, who are taking or influencing business decisions without regulatory constraint. We welcome the CMA's clarification that, when considering business models, statements about veterinary professionals relate to the pressures they may be under as employees in, or owners of, vet businesses and should not be taken to be an adverse reflection on the professional conduct or integrity of individual vets and vet nurses. We strongly agree with the CMA's view that the vast majority of veterinary professionals show high levels of dedication to the animals under their care and the animals' owners.

Competition on price

3. We note the CMA's assessment that there is likely to be a weak consumer response to price increases as movement of consumers between First Opinion Practices (FOPs) is low. BVA's guidance on transparency and client choice (2024)¹ is clear that transparency around costs and the true value of veterinary care is key to giving clients choice and facilitating informed consent. As set out in our response to the working paper '**How people purchase veterinary services**', we recognise that many owners may not consider multiple options when choosing an FOP. When they do, the factors they take into consideration will vary depending on individual circumstances, with proximity and accessibility likely to be key, although we also recognise that price will be a factor for many.
4. In our response to the CMA's Issues Statement we were clear that a 'one-size-fits-all' approach in the shape of a comparison tool for pricing - and indeed quality information - risks diminishing the value of veterinary care and fails to take into account the critical importance of contextualised care, including animal and human factors, all of which must be balanced with the skills and equipment that are available within a practice. We were also clear that the way in which veterinary care is delivered and valued is far removed from the way consumers behave when 'shopping around' for services such as insurance or utilities. We consider that the value placed on the Vet-Client-Patient-Relationship (VCPR), which is key to achieving long-term good animal welfare outcomes, will be a key factor for many consumers, over and above making choices about veterinary care based primarily on price.

¹ <https://www.bva.co.uk/resources-support/practice-management/transparency-and-client-choice-guidance/>

Treatment intensity

5. We agree that any increases in treatment intensity could largely reflect a greater desire by pet owners to spend more on their pets' health in response to the increased availability of complex or more advanced treatments, which would not be a competition concern.
6. As we explained in our submission to the CMA's call for information in autumn 2023, increasing technological advances mean that vets now have the ability to detect and treat more complicated medical and surgical cases. Client expectations have changed significantly, which has seen the 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. Given the complex contextual factors which inform treatment intensity, we agree with the CMA's observation that it is difficult measure and therefore assess whether it has increased.

KPIs and targets

7. We welcome the CMA's recognition that vets are conscientious professionals who have taken an oath to do the best for the animals under their care. We note that many of the CMA's conversations with vets over the course of the investigation have shown veterinary professionals' strong motivation to do the best for the animals they treat.
8. We recognise that vets not only work as individuals in a regulated context, but also in the context of a practice selling commercial services to consumers. We also recognise that veterinary businesses are commercial operations which must make sufficient returns for there to be an adequate supply of veterinary care available to support animal welfare and meet the needs of pets and their owners. Veterinary teams work hard and should expect to be appropriately paid for their work. However, as explained in our response to the working paper 'How people purchase veterinary services' being inappropriately influenced by financial incentives, such that they impact clinical decisions, would be entirely contrary to the declaration every vet and Registered Veterinary Nurse (RVN) makes on admission to their profession.
9. As the CMA has recognised, different KPIs work towards different aims, including attempts to consider public health concerns, improve business efficiency or improve customer service. The use of financially driven KPIs is the norm in many professions, and application of such an approach in a veterinary setting in our view simply represents standard management practice. However, we would be concerned if the setting and monitoring of certain KPIs might put undue pressure on vets to change how they recommend treatments to pet owners in a way which did not lead to the best possible animal welfare outcomes. Similarly, we would have concerns if unnecessary checks or procedures on pets were being carried out which were of no tangible benefit to the pet and indeed, in some cases might compromise their welfare. In this context we would support expansion of RCVS's powers to monitor outcomes for consumers and sanction breaches of the Code, as well as regulate veterinary practices.

Contextualised care

10. We note the CMA's assessment that there appear to be differences within the profession as to whether contextualised care means a vet should evaluate what might be best to recommend in the circumstances and present a single personalised option to the pet owner, whether a full range of options should be presented to allow the pet owner to choose the best option, or whether the outcome should be arrived at through an open discussion between vet and pet owner.

11. We are clear that contextualised care must take into account both the owner and the animal, considering their relationship and understanding the context in which the animal lives, the owner's finances, lifestyle, preferences, and their ability to provide suitable care. This approach acknowledges that the owner's attitudes, resources, and commitment to the animal's wellbeing significantly influence the treatment's success and the overall health of the patient. Additionally, contextualised care involves consideration of an animal's living conditions, quality of life, pain management, and overall welfare during clinical decision-making.
12. Contextualised care has very much become the preferred term within the veterinary profession and although already a well-established principle, with existing resources available to support the profession², it is a concept we are keen to develop further. We consider that there is scope for further debate on this important concept and further guidance for veterinary professionals, including undergraduates, on how to deliver contextualised care.

Vertical integration

13. We note the CMA's assessment that consumers may not be given sufficient information about their referral options at all types of FOP, irrespective of their degree of vertical integration with referral services. Limitations on the price information pet owners have when choosing a referral may lessen their ability to make comparisons between options. However, it must be recognised that it cannot be the responsibility of the FOP vet to provide detailed price information when referring to another professional or veterinary business and where the prognosis is unknown. The evidence from the CMA's pet owners survey indicates that a pet owner's trust in their vet is a key driver of referral centre choice, and that most pet owners do not shop around when recommended a referral by their FOP vet. Notwithstanding this, accessible price lists for the services offered most frequently by referral practices would be welcomed and should be encouraged.
14. As we have previously stated a referral is not merely a transactional arrangement between service providers. 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. Over time, these relationships build a deep understanding of skills (for example post graduate RCVS recognised training compared to on-the-job experience), possible costs, waiting times, type/level of follow up/after care and availability of CPD and telephone support, which in turn builds confidence for the referring vet in their referral. This also means they are better placed to advise clients on what to expect.
15. We do, of course, agree that where vertically integrated groups engage in self-preferencing this should be clearly communicated to clients both in the terms of business and on the practice website and should also be verbally communicated when presenting the referral. Such self-preferencing does have the potential to bring efficiencies which financially benefit the client but should never hinder professional judgement, restrict the recommendations veterinary professionals are able to make, or put animal welfare at risk.

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² <https://www.bsava.com/wp-content/uploads/2024/02/bsava-veterinary-medicine-on-a-budget-2.pdf>