BUZZ-ONOMICS

A CLEAR AND ACCESSIBLE GUIDE
TO THE STORIES THAT MATTER

St Catherine's
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Many of you will know that I am a confirmed dog lover and as the owner of an elderly rescue dog (as well as a younger dog) I spend an increasing amount of my time at the vet. My vet is an independent vet (or at least I think it is) and as far as I can tell they offer reasonably good value for money. It might seem odd to hear an economist seem far from certain about these things, but this uncertainty lies at the heart of a recent investigation into the veterinary industry.

The investigation has been undertaken by the Competition and Markets Authority (the CMA) whose role it is to ensure consumers are receiving a fair deal. They have recently published their provisional views. The problem is that the nature of the industry has changed considerably in recent years. Big corporate ownership of veterinary practices has risen from 10% in 2013 to nearly 60% in 2024. Larger firms (especially in an industry where the remainder will be small) have considerable market power. This means they can raise prices and adopt other anti-competitive practices.

According to the CMA "The evidence collected so far leaves little doubt that a comprehensive package of interventions is needed in the veterinary services market... to deliver better outcomes for consumers". Lots of people have trust in their vets (and I certainly do) but there are other reports of:

- prices increasing by 60% between 2016 and 2023 (see right for the huge difference in prices)
- practices owned by large vet groups charging over 16% more on average than independent vets
- medicines sold for multiples of the purchase cost
- limited price transparency with 84% of vets giving little information on their websites
- limited information on whether a vet is part of a big group
- unhappiness with complaints systems
- veterinary businesses owned by non-vets not being subject to sufficient regulation
- limited choice for budget conscious pet owners
- some vets reporting that they are judged more on revenue they raise than clinical performance

The CMA's recommendations include:

- providing a price list for specific treatments
- providing itemised bills
- providing a written estimate for treatment
- requiring vets to tell pet owners that medication may be cheaper on line
- capping the fee for providing a prescription to obtain medication online
- making it clear if a practice is part of a large group
- having a decent complaints process
- confirming each year that these requirements are being met.

At the moment these are just recommendations, and further consultation is taking place. The investigation began in September 2023 and is scheduled to end by May 2026.

Price ranges for common treatments, published by the CMA **earlier this year**, include:

- Vaccinations: £50 to £200
- Neutering (dogs): £120 to £700
- Neutering (cats): £50 to £300
- Emergency out-of-hours care: £200 to £300

But the CMA noted in that report that prices vary significantly between vets, and they were only able to use publicly available information.

Source : BBC

Questions to consider:

- Given the scale of the problem, do you think the proposals for the veterinary industry go far enough?
- Are the CMA right to consult thoroughly given the importance of veterinary care or should they be moving faster?

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