

VETERINARY SERVICES FOR HOUSEHOLD PETS MARKET INVESTIGATION

PROPOSED UNDERTAKINGS – CONSULTATION

The Veterinary Services Market Investigation Royal College of Veterinary Surgeons (Funding) Undertakings 2026

Background

1. On 23 May 2024, following a market review launched on 7 September 2023 and a consultation opened on 12 March 2024, the Competition and Markets Authority (the **CMA**), in exercise of its powers under sections 131 and 133 of the Enterprise Act 2002 (the **Act**), made a reference for a market investigation in relation to the supply of Veterinary Services for Household Pets in the United Kingdom.
2. On 23 May 2024, the CMA appointed from its panel a group of five independent members (the **Group**) to conduct the market investigation and publish a final report. The Group was required to decide whether any feature, or combination of features, of each relevant market prevents, restricts or distorts competition and thereby has an adverse effect on competition (**AEC**) and, if so, what action should be taken.
3. On 24 March 2026, the CMA published its report on the market investigation (the **Final Report**) in which it concluded that there are certain features which have an AEC in the markets for (i) the retail supply of Veterinary Services for Household Pets by first opinion practices (**FOPs**) in the UK, and (ii) the supply of outsourced out of hours (**OOH**) provision to FOPs in the UK.
4. The Group decided that, in order to address the AEC and resulting customer detriment, an integrated package of remedies should be imposed consisting of:
 - (a) Measures to empower Pet Owners when making choices, relating to:
 - (i) transparency of the ownership of Veterinary Businesses;
 - (ii) the ability to compare FOPs directly;
 - (iii) better pricing information when choosing treatments and services;
 - (iv) increased awareness of the ability to purchase medicines online and potential savings; and

- (v) clear information on end-of-life services.
 - (b) Measures to remove barriers to engagement and competition, relating to:
 - (i) ensuring that veterinary surgeons and veterinary nurses are able to act in accordance with the relevant provisions of the Royal College of Veterinary Surgeons (**RCVS**) Code and Guidance;
 - (ii) making it easier for Pet Owners to get and use a written prescription;
 - (iii) improving consumer complaints and redress mechanisms; and
 - (iv) making it easier for FOPs to switch OOH provider.
 - (c) A recommendation to government on reform of the existing statutory regime for the regulation of Veterinary Services.
 - (d) Recommendations to the RCVS and the Veterinary Medicines Directorate (**VMD**).
5. Since the publication of the Final Report, two members of the Group have ceased to be members of it. One Group member's appointment to the CMA panel ended on 1 April 2026, and another resigned from the Group on 24 April 2026. Each cessation of membership of the Group, and the Group's continued functioning with its remaining members thereafter, is in accordance with Schedule 4 to the Enterprise and Regulatory Reform Act 2013.
6. On 30 June 2026, in accordance with section 165 of, and paragraph 2(1)(a) of Schedule 10 to, the Act, the CMA published a Notice of its proposal to accept these Undertakings as part of a package of remedies to remedy, mitigate or prevent the AEC and any resulting customer detriment, which it had identified in the Final Report.
7. The package of remedies will be implemented by:
- (a) the Veterinary Services Market Investigation (Funding) Order 2026;
 - (b) a separate order imposing substantive requirements on Veterinary Businesses (to be known as 'the Veterinary Services Market Investigation Order 2026');

- (c) these Veterinary Services Market Investigation Royal College of Veterinary Surgeons (Funding) Undertakings 2026;
 - (d) separate undertakings entered into by the RCVS relating to the activities the RCVS will perform and which are described in paragraph 8 below (to be known as ‘the Veterinary Services Market Investigation Royal College of Veterinary Surgeons Undertakings 2026’);¹ and
 - (e) recommendations to government, the RCVS and the VMD as set out in the Final Report.
8. In the Final Report, the Group decided that the costs associated with certain activities to be performed by the RCVS will be funded by a Levy on Veterinary Businesses. These activities include:
- (a) monitoring Veterinary Businesses’ compliance with the Veterinary Services Market Investigation Order 2026 and the Veterinary Services Market Investigation (Funding) Order 2026;
 - (b) improving the functionality of the Find A Vet website;
 - (c) gathering information from Veterinary Businesses to present on the Find A Vet website and operating and maintaining that website on an ongoing basis;
 - (d) contracting with an approved alternative dispute resolution (**ADR**) provider which offers mediation services to relevant Veterinary Businesses operating FOPs and OOH Centres (as defined below);
 - (e) developing and sharing with Veterinary Businesses materials relating to medicines and prescriptions and to help Pet Owners to engage with processes on complaints and redress; and
 - (f) collecting, analysing and publishing on an annual basis data and insights on complaints made by Pet Owners to Veterinary Businesses in the market for Veterinary Services for Household Pets.

¹ Subject to the RCVS offering, and the CMA accepting, suitable undertakings and following the procedure provided for by the Act. In default of the RCVS giving such undertakings, the CMA may instead require the RCVS to perform the relevant activities.

9. As part of giving effect to the Levy referred to in paragraph 8, and following the consultation process referred to in paragraph 6, the CMA has accepted these Undertakings from the RCVS pursuant to section 159 of the Act. These Undertakings, in combination with the Veterinary Services Market Investigation (Funding) Order 2026, will implement the funding mechanism for the Levy on Veterinary Businesses.

Undertakings

1. Commencement

- 1.1 In accordance with section 159(3) of the Act, the Undertakings come into force on *[Date of acceptance]*, that being the date when they were accepted by the CMA.

2. Interpretation

- 2.1 In these Undertakings:

‘Act’ means the Enterprise Act 2002.

‘ADR’ means alternative dispute resolution.

‘CMA’ means the Competition and Markets Authority.

‘Final Report’ means the final report of the CMA’s market investigation into Veterinary Services for Household Pets in the UK published on 24 March 2026.

‘First Opinion Practice’ or **‘FOP’** means:

- (a) a site at which primary veterinary care for Household Pets, comprising FOP Services and any OOH FOP Services provided by the same Veterinary Business as provides the FOP Services, is offered (including where the relevant business offers services as a Limited Service Provider); and
- (b) where it does not do so from a site or physical premises, the set of mobile facilities and equipment a Veterinary Business uses to provide primary veterinary care for Household Pets.

‘FOP Services’ means primary care and related services provided in a FOP during normal working hours.

‘Household Pet’ and **‘Pet’** mean an animal such as a dog, a cat, a hamster, a gerbil, a mouse or other rodent, and any exotic animal (but not a farm animal or horse) that is kept for companionship or protection and habitually resides in the owner’s dwelling.

‘Initial Relevant Period’ means the period beginning on 24 March 2026 and ending on 31 March 2027.

‘Levy’ means the sum Qualifying Veterinary Businesses will be required to pay pursuant to the Veterinary Services Market Investigation (Funding) Order 2026.

‘Levy Commencement Date’ means the date falling within the Initial Period on which the Veterinary Services Market Investigation (Funding) Order 2026 comes into force.

‘Limited Service Provider’ means a veterinary practice that offers no more than one service to Pet Owners and includes, but is not limited to, providers operating vaccination or neutering clinics, or microchipping.

‘Out-of-hours’ or **‘OOH’** means the period of time outside normal working hours.

‘OOH Centre’ means the site, premises or location at which a Veterinary Business provides OOH Provider Services.

‘OOH FOP Services’ means OOH Services provided in a FOP which are not OOH Provider Services.

‘OOH Provider Services’ means OOH Services provided by a Veterinary Business to a Pet Owner directly or through a subcontracting or outsourcing arrangement with another Veterinary Business, where the provider only provides primary care for Pets outside normal working hours.

‘OOH Services’ means primary care services that are provided outside normal working hours.

‘Pet Owner’ means an individual purchasing Veterinary Services for a Pet under their care (as distinguished from being ‘under care’ with a veterinary professional).

‘Qualifying Veterinary Business’ means a Veterinary Business which operates one or more FOPs or OOH Centres. It includes Limited Service Providers and sole practitioner vets, but excludes charitable organisations that do not provide Veterinary Services for Household Pets for profit.

‘RCVS’ means the Royal College of Veterinary Surgeons.

‘RCVS Activities’ means:

- (a) monitoring compliance by Veterinary Businesses with the Veterinary Services Market Investigation Order 2026 and the Veterinary Services Market Investigation (Funding) Order 2026;

- (b) improving the functionality of the Find A Vet website and operating and maintaining it on an ongoing basis;
- (c) collecting information from Veterinary Businesses to present on the Find A Vet website;
- (d) sharing information from the Find A Vet website with approved third parties, including setting up the approval and sharing process;
- (e) contracting with an approved ADR provider which offers mediation services to Veterinary Businesses;
- (f) producing, distributing to Veterinary Businesses, and publishing, standardised literature and information about the ability of pet owners to request written prescriptions;
- (g) publishing the level of the monetary threshold above which Veterinary Businesses will be required to ensure that Pet Owners are provided with a written estimate for treatments;
- (h) developing and publicising a decision tree to help Pet Owners navigate the different routes to redress when they have a complaint about a Veterinary Business;
- (i) collecting, analysing and publishing on an annual basis data and insights on complaints in the market for Veterinary Services for Household Pets;
- (j) providing independently assured estimates by an auditor or another suitably skilled, qualified and experienced third party of the costs that it expects to incur in carrying out the RCVS Activities and operating and administering the system for collecting the Levy; and
- (k) any other activities which are reasonably necessary to put in place, operate and maintain the systems, mechanisms, arrangements and activities described in sub-paragraphs (a) to (j) above.

‘RCVS Funding Estimate’ means the RCVS’s written estimate of the costs it considers it will incur in performing the RCVS Activities in an Initial or Subsequent Relevant Period, as the case may be, and where that estimate:

- (a) describes each of the activities the estimated costs will cover;

- (b) includes:
 - (i) the total amount of those costs, plus a contingency amount of up to 15% of the cost of particular components of that total depending on an estimate of the level of uncertainty over the costs of those components; and
 - (ii) the amounts attributable to each of the activities in (a);
- (c) for each activity, explains how the RCVS considers that the estimated costs attributable to that activity are reasonably necessary and represent reasonably efficiently incurred costs; and
- (d) in the case of an estimate provided in respect of a Subsequent Relevant Period, carries forward from any previous period any reasonably estimated, or actual, surplus or shortfall in the funds for carrying out the RCVS Activities.

‘Relevant Period’ means either an Initial Relevant Period or a Subsequent Relevant Period, as the context requires.

‘Subsequent Relevant Period’ means a period of 24 months, with the first such period beginning on 1 April 2027 and ending on 31 March 2029 and further such periods running for each 24-month period thereafter.

‘Veterinary Business’ means a person (any entity whether it is a legal person like a company, in a joint venture or partnership, or an individual) carrying on a business that comprises the retail provision of one or more Veterinary Services to Pet Owners for their Household Pets.

‘Veterinary Services Market Investigation Order 2026’ means the order to be imposed on Veterinary Businesses under section 161 and Schedule 8 of the Act by 23 September 2026, as stated in the Final Report.

‘Veterinary Services’ includes, but is not limited to, the provision of:

- (a) FOP services and OOH FOP Services;
- (a) OOH Provider Services;
- (b) diagnostic laboratory services;

- (c) animal hospital services;
- (d) referral centre services;
- (e) pet cremation services;
- (f) pet care plans; and
- (g) prescribed veterinary medicines.

Unless expressly stated or the context requires otherwise, other words and phrases have the same meaning as is given to them in the Final Report and they shall be construed accordingly.

3. RCVS Funding Estimates

- 3.1 On [date] the RCVS provided the CMA with the RCVS Funding Estimate for the Initial Relevant Period, so that the CMA could set the Levy pursuant to the Veterinary Services Market Investigation (Funding) Order 2026. For each Subsequent Relevant Period, and for the same purpose, the RCVS shall:
- (a) prepare a draft RCVS Funding Estimate and publicly consult Qualifying Veterinary Businesses and professional representative bodies about its contents by publishing it on the RCVS website for at least 30 days, taking reasonable steps to publicise the opening of the consultation period and considering in good faith the responses to the consultation;
 - (b) obtain written assurance from a suitably skilled, qualified and experienced independent third party approved by the CMA that the estimated costs included in the RCVS Funding Estimate are reasonably necessary for, and would represent the reasonably efficiently incurred costs of, the RCVS's performance of the RCVS Activities;
 - (c) submit the final version of the RCVS Funding Estimate to the CMA for approval (such approval not to be unreasonably withheld) at least 30 days before the start of the Subsequent Relevant Period to which the estimate relates, together with:
 - (i) a written statement explaining how the RCVS has consulted Qualifying Veterinary Businesses and professional representative bodies about the estimate and how it has taken any representations from those businesses into account in compiling the estimate; and

(ii) the statement of assurance referred to in paragraph 3.1(b).

- 3.2 The RCVS shall, within a reasonable period specified by the CMA but which shall be no less than five working days, provide to the CMA such information as the CMA may reasonably require for the purpose of approving any RCVS Costs Estimate.

4. Collection of funds from Qualifying Veterinary Businesses

- 4.1 Subject to the CMA's approval of the RCVS Funding Estimate for the Initial Relevant Period and any Subsequent Relevant Period, and to the CMA's setting the Levy for the period, the RCVS shall collect from Qualifying Veterinary Businesses the Levy they are required to pay pursuant to the Veterinary Services Market Investigation (Funding) Order 2026.
- 4.2 In respect of the Initial Relevant Period:
- (a) The arrangements the RCVS puts in place for the collection of the Levy from Qualifying Veterinary Businesses that are operating on the Levy Commencement Date shall ensure that those businesses are able to meet their legal obligations to make payment of the full amount of the Levy no later than 44 days after that date.
 - (b) Where a Qualifying Veterinary Business becomes liable to pay a Levy or an additional amount of the Levy during the period, the arrangements the RCVS puts in place for its collection from that business shall ensure that the business is able to meet its legal obligation to make payment of the pro-rated sum due no later than 30 days after the business notifies the RCVS in accordance with Veterinary Services Market Investigation (Funding) Order 2026.
- 4.3 In respect of any Subsequent Relevant Period:
- (a) The arrangements the RCVS puts in place for the collection of the Levy from Qualifying Veterinary Businesses that are operating on the day that period starts shall ensure that those businesses are able to meet their legal obligations to make payment of the Levy for the first year of the period no later than 30 days after the start of the period and, for the second year of the period, 12 months later.

(b) Where a Qualifying Veterinary Businesses becomes liable to pay a Levy or an additional amount of the Levy during the period, the arrangements the RCVS puts in place for its collection from that business shall ensure that the business is able to meet its legal obligations:

(i) to make payment of the pro-rated sum due for the period to the following 31 March no later than 30 days after the deadline for the business to notify the RCVS in accordance with the Veterinary Services Market Investigation (Funding) Order 2026; and

(ii) to make payment of any further Levy due from the following 1 April no later than 30 days after that date.

4.4 The arrangements the RCVS puts in place for the collection and administration of the Levy shall also make provision for the circumstances described in paragraph 4.5.

4.5 Where in any Initial Relevant Period or Subsequent Relevant Period a Qualifying Veterinary Business notifies the RCVS, in accordance with the Veterinary Services Market Investigation (Funding) Order 2026, of a reduction in the number of FOPs or OOH Centres the business is operating and for which the business has paid the Levy due, the RCVS shall make a refund payment to the business, or issue it with a credit against future Levy liabilities, in accordance with paragraph 4.6.

4.6 Provided that the Qualifying Veterinary Business gives the RCVS the required notification before 30 September in any year, the RCVS shall refund to the business 50% of the Levy that the business has paid in that year for each FOP or OOH Centre that it no longer operates or issue it with a credit for the same amount against the business's future Levy liabilities.

4.7 Where the RCVS makes a refund payment in accordance with paragraph 4.6 above, it shall do so within 90 days of receiving the Veterinary Business's notification of a reduction in the number of FOPs or OOH Centres the business is operating and for which the business has paid the Levy due.

5. Use of monies

5.1 The RCVS shall use the Levy monies received from Qualifying Veterinary Businesses under the Veterinary Services Market Investigation (Funding) Order 2026 only for paying the reasonably necessary and reasonably efficiently

incurred costs of performing the RCVS Activities (and shall not exceed the overall cost provided for in the RCVS Funding Estimate without prior CMA approval).

- 5.2 The RCVS shall hold the Levy monies received from Qualifying Veterinary Businesses under the Veterinary Services Market Investigation (Funding) Order 2026 ringfenced from the RCVS's other monies.
- 5.3 Within four months of the end of the Initial Relevant Period or any Subsequent Relevant Period, as the case may be, the RCVS shall publish (and take reasonable steps to notify Qualifying Veterinary Businesses and professional representative bodies of the publication thereof):
 - (a) a breakdown of the actual costs it incurred in that period, with the same level of detail and format as the RCVS Funding Estimate it produced for the period in accordance with section 3 above; and
 - (b) an independent audit by a suitably skilled, qualified and experienced person of its actual costs incurred and including the auditor's opinion as to whether, based on the procedures it has carried out, anything came to its attention to indicate that such costs attributable to each RCVS Activity were not reasonably necessary and reasonably efficiently incurred.

6. RCVS procedures and processes in relation to payments

- 6.1 The RCVS shall put in place sufficient and appropriate systems and processes to record declarations and notifications from Qualifying Veterinary Businesses under the Veterinary Services Market Investigation (Funding) Order 2026 and to maintain an up to date record of Qualifying Veterinary Businesses that includes the information they provide to the RCVS pursuant to that Order.
- 6.2 The RCVS shall make reasonable endeavours to identify Qualifying Veterinary Businesses which are liable to pay the Levy and which do not notify themselves to the RCVS. Such endeavours shall include making reasonable enquiries of its internal databases and reasonable searches of publicly available information.
- 6.3 The RCVS shall put in place appropriate procedures to:
 - (a) record payments of the Levy from each Qualifying Veterinary Business in respect of each of its FOPs and OOH Centres and to reduce the risk of fraudulent impersonation; and

- (b) to identify Qualifying Veterinary Businesses which have not met their obligations to pay the Levy and to obtain such payment.
- 6.4 The RCVS shall carry out credit control processes to reduce the risk of late payments or bad debts.
- 6.5 The RCVS shall put in place sufficient and appropriate systems to record where a Qualifying Veterinary Business:
 - (a) ceases to operate and to be liable to make further Levy payments; or
 - (b) makes changes to the number and location of FOPs and OOH Centres it operates, so that its liability for future Levy payments changes.

7. Provision of information to the CMA

- 7.1 The RCVS shall provide to the CMA, as soon as reasonably practicable and in any event within a reasonable deadline set by the CMA, such information as the CMA may reasonably require in connection with these Undertakings.
- 7.2 The RCVS shall comply with such reasonable written directions as the CMA may from time to time give and take such steps within its reasonable competence as may be required for the purpose of carrying out or securing compliance with these Undertakings.
- 7.3 The RCVS shall provide the CMA with an annual report confirming the actions it has taken to comply with these Undertakings. It shall provide the first such report to the CMA by the end of April 2027 and subsequent reports by the end of April in each following year.
- 7.4 If the RCVS at any time becomes aware that it is in breach or likely to be in breach of any provision of these Undertakings, it shall notify the CMA within 14 working days to advise the CMA that there has been or is likely to be a breach by the RCVS and of all the circumstances of that breach within its knowledge and what it is doing to rectify the breach and ensure it is not repeated.

8. Governing law

- 8.1 The RCVS agrees that the Undertakings shall be governed and construed in all respects in accordance with English law.

- 8.2 If any dispute arises concerning these Undertakings, the RCVS shall submit to the courts of England and Wales.

9. Service of Documents

- 9.1 The RCVS authorises its Chief Executive Officer to accept, on its behalf, service by email of all documents connected with these Undertakings. Such service shall be deemed to have been acknowledged by the RCVS if it is acknowledged by its Chief Executive Officer or other nominee appointed by the RCVS.
- 9.2 Any communication from the RCVS to the CMA under these Undertakings shall be addressed to the Remedies Monitoring Team, Competition and Markets Authority, The Cabot, Cabot Square, London E14 4QZ or such other person or address as the CMA may direct in writing and shall include email communication to remediesmonitoringteam@cma.gov.uk or such other address as the CMA may direct in writing.

10. Termination

- 10.1 The RCVS agrees that these Undertakings shall be in force until such time as they are varied, superseded or released under section 159(4) or (5) of the Act.
- 10.2 The RCVS agrees that the variation, supersession or release of these Undertakings shall not affect the validity and enforceability of any rights or obligations that arose prior to such variation, supersession or release.
- 10.3 If, when these Undertakings are released, the RCVS is holding monies paid to it as Levies by Qualifying Veterinary Businesses:
- (a) such monies shall be treated as provided for in any legislation passed by Parliament relating to the regulation of those businesses or of veterinary professionals; or
 - (b) if no such provision is made, such monies shall be disbursed to Qualifying Veterinary Businesses with each receiving an amount of the money held in proportion to their contribution to the total amount of the Levies paid in the Relevant Period.