

CVS takeover of The Vet raises competition concerns

The Competition and Markets Authority (CMA) opened its investigation into CVS Group's purchase of Quality Pet Care, which trades as The Vet, in December last year. Both firms are providers of veterinary services, with CVS Group owning 467 practices in the UK, while The Vet operates 8 practices across England.

Recent reports indicate that there are 17 million pet-owning homes across the UK, with consumer expenditure on vets and other services for pets in the UK estimated to be around £4 billion between July 2020 and June 2021. In recent years, the ownership of vets' practices across the UK has changed, with many practices being acquired by a small number of corporate groups, such as CVS. While independent veterinary practices accounted for 89% of the UK industry in 2013, this share had fallen to less than half (45%) by 2021, primarily as a result of independent practices being bought by corporate groups.

Following its Phase 1 investigation into CVS's acquisition of The Vet, the CMA has found that the merger raises competition concerns in 5 local areas – Bristol, Nottingham, Portsmouth, Southampton and Warrington.

The CMA's investigation found that the combined businesses would account for a significant proportion of veterinary services in each of these areas. While veterinary practices owned by CVS and The Vet currently compete for customers at each of these locations, the CMA is concerned that the combined businesses would not face sufficient competition after the merger. This could lead to pet owners facing a worse quality of service, including more limited treatment options, or having to pay higher prices.

Colin Raftery, Senior Director of Mergers, at the CMA, said:

Pets are much-loved members of millions of households across the UK and, when veterinary care is needed, it's important that pet owners have access to a good service at the right price.

The CMA has received a number of complaints in recent years about higher prices or lower quality services as a result of too many vets' practices in the same area being under the control of a single company.

This deal could lead to customers facing more limited treatment choices for their pets or paying over the odds for services in these areas. Should CVS fail to address our concerns we will refer the deal for an in-depth investigation.

CVS has 5 working days to offer legally-binding proposals to the CMA to address the competition concerns identified. The CMA would then have a

further 5 working days to consider whether to accept these instead of referring the case to a Phase 2 investigation.

For more information, visit the [CVS / Quality Pet Care merger inquiry page](#).

1. CVS refers to CVS Group plc, including its subsidiary CVS (UK) Limited, and The Vet refers to Quality Pet Care Ltd (Quality Pet Care), trading as The Vet.
2. Following a Phase 1 review, the CMA has found that CVS's acquisition of The Vet gives rise to a realistic prospect of substantial lessening of competition (SLC) in the local areas around 5 of the 8 practices acquired by CVS, in Bristol, Nottingham, Portsmouth, Southampton and Warrington.
3. The information available to the CMA indicates that the combined businesses of the CVS and The Vet would provide more than 30% of all veterinary services in each of these five local areas.
4. The CMA served an initial enforcement order in September 2021 requiring the companies to operate independently, as they did before the purchase. The order remains in force. Details of the order can be found on the [CVS / Quality Pet Care merger inquiry page](#).
5. The CMA's investigation focused on the provision of commercial veterinary services to small animals (including cats, dogs and other pets), and excluded services for equine and farm animals (horses and livestock); the CMA's investigation also excluded out of hours services and referral services, as well as non-commercial practices in the market, such as charities.
6. The Pet Food Manufacturer's Association found in its [2021 Pet Population report](#) that 17 million UK households had pets.
7. [ONS data](#) suggests that in the year leading up to July 2021 consumer spending on vets and other services for pets was over £4 billion.
8. All media enquiries should be directed to the CMA press office by email on press@cma.gov.uk, or by phone on 020 3738 6460.