

VetPartners' purchase of Goddard raises competition concerns

The Competition and Markets Authority (CMA) opened its investigation into VetPartners Limited's purchase of Goddard Holdco Limited, which trades as Goddard Veterinary Group, in March 2022. Both firms are providers of veterinary services. VetPartners, owned by the private equity firm BC Partners, operates approximately 550 sites across the UK, while Goddard, a family-owned business, operates 47 sites in Greater London.

As with the CMA's [recent investigation into CVS's purchase of The Vet](#), this deal takes place against a backdrop of a small number of corporate groups, including VetPartners, buying up large numbers of independent practices and local chains of vets across the UK. The CMA has received a number of complaints in recent years about higher prices or lower quality services as a result of multiple vets' practices in the same local area being owned by a single company. VetPartners, like most of these corporate groups, not only owns and operates local vet practices, but also has broader activities within the veterinary sector, owning other businesses including diagnostic laboratories, locum agencies, and crematoria.

Following its Phase 1 investigation into VetPartners' acquisition of Goddard, the CMA has found that the merger raises competition concerns in 11 local areas across Greater London.

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 VetPartners and Goddard 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:

Close to 60% of UK households own a pet and, when veterinary care is needed, the cost of care can have a significant impact on already-stretched household budgets.

Like CVS's recent acquisition of The Vet, VetPartners' acquisition of Goddard would result in too many vets' practices in the same area being under the control of a single company, raising the risk of higher prices or lower quality services.

Unless our concerns are addressed, we will refer this deal for an in-depth investigation to ensure that pet owners don't lose out.

VetPartners 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 [VetPartners / Goddard merger inquiry case page](#).

Notes to Editors

1. VetPartners refers to VetPartners Limited, and Goddard refers to Goddard Holdco Limited, which trades as Goddard Veterinary Group.
2. Following a Phase 1 review, the CMA has found that VetPartners' acquisition of Goddard gives rise to a realistic prospect of a substantial lessening of competition (SLC) in the local areas around 11 practices acquired by VetPartners, all located in Greater London, primarily in the north-east London area.
3. The information available to the CMA indicates that the combined businesses of the VetPartners and Goddard would provide more than 30% of all veterinary services in each of these 11 local areas.
4. The CMA served an initial enforcement order in November 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 [VetPartners / Goddard merger inquiry case 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, referral services, home visit and telemedicine vets, 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, accounting for approximately 59% of UK households.
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. This is the second recent merger involving veterinary practices in which the CMA has identified competition concerns. The CMA [found competition concerns](#) following CVS's purchase of The Vet in February 2022. CVS has since offered to sell all of The Vet practices it bought to address the CMA's concerns. The CMA is currently considering whether this offer would address the concerns identified in that case.
9. 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.