

Joint letter from the Competition and Markets Authority and the General Pharmaceutical Council: pricing during the COVID-19 pandemic

Dear pharmacy owners and superintendent pharmacists,

The services provided by pharmacies are especially important to the lives of many people at the present time who are relying on the care and professionalism of pharmacy professionals, teams and owners. It is vital that trust in pharmacy continues to be maintained.

We would like to thank the vast majority of pharmacies who are striving to do the right thing and look after people under exceptionally challenging social and business circumstances. Unfortunately, we have received reports alleging that a small minority of pharmacies are seeking to benefit from the coronavirus pandemic by charging unjustifiably high prices for essential products – including hand sanitiser, face masks and paracetamol – which continue to be in very high demand.

Whilst the numbers involved may be small, the issue has been prominent in the public eye. We are therefore writing to all pharmacies to explain the General Pharmaceutical Council's and the Competition and Markets Authority's respective roles and expectations as regulators in relation to this important issue during the pandemic.

The Competition and Markets Authority (the CMA)

The CMA is the UK's lead competition and consumer authority and it works to ensure that consumers get a good deal when buying goods and services, and that businesses operate within the law.

The CMA is concerned about any price charged by a pharmacy for an essential product that is higher than the price that would prevail under normal competitive market conditions (i.e. before the coronavirus pandemic) as a result of the pharmacy adding a higher than usual percentage mark-up on the wholesale price it has paid.

The CMA recognises that pharmacies may be paying higher prices to wholesalers for high-demand products. While increased wholesaler costs will feed through to a pharmacy's retail prices, they do not justify the pharmacy increasing its own percentage mark-up on the wholesale price.

Pharmacies may be facing additional operational costs at this time, such as for additional cleaning and PPE. While such costs might justify a limited increase in general mark-ups, the CMA does not consider that they would justify a pharmacy

disproportionately increasing its mark-ups on essential products unless the additional costs specifically relate to the sale of those products.

The CMA therefore encourages all pharmacies to ensure that their prices for essential products, including hand sanitiser, face masks and paracetamol, do not include higher than usual mark-ups, when compared to their pre-coronavirus mark-ups for those products and their mark-ups more generally.

The CMA has a range of competition and consumer powers to tackle unfair business practices and it may contact pharmacies to request that they provide it with information.

The CMA has recently launched investigations into four retailers, including pharmacies, that it suspects have charged excessive and unfair prices for hand sanitiser products during the coronavirus (Covid-19) pandemic. The consequences of the CMA reaching a final finding that competition law has been infringed are potentially significant and include the possibility of financial penalties.

Pharmacies experiencing large price rises or other unfair practices from their suppliers are encouraged to [report this to the CMA by using its online complaints form](#).

The General Pharmaceutical Council (the GPhC)

The GPhC's role is to protect patient and public health and safety, upholding professional standards and maintaining public confidence in pharmacy. We are focusing on how to support pharmacy during the pandemic. And we are also continuing to use our regulatory powers when necessary.

The GPhC sees community pharmacy first and foremost as a healthcare environment. We appreciate that retail is part of the service that many pharmacies offer, and that retail practice can impact on public perceptions of pharmacy – and public confidence. This has been made very clear in the course of the pandemic.

We have therefore written to a number of registered pharmacies to remind them about the requirements to meet our Standards in the context of concerns we've received about price increases. In some cases, we have asked the pharmacy to review the price they are charging for a particular item and consider whether this price should be changed as well as inviting them to tell us about any actions they are planning to take.

We will not usually take action on matters that are purely commercial in nature and have no medicinal or practice-related element unless there are broader issues that would impact on public confidence. For example, any pharmacy or pharmacy owner found to have breached competition or consumer protection law risks facing action by the GPhC for damaging public confidence.

The GPhC is engaging with the CMA to ensure that we use our respective roles and powers in a complementary and proportionate way during our assessment of complaints received about pricing practices.

We hope this information has been helpful. We would ask you to consider it carefully when making decisions about pricing within your pharmacy, and to share this email with relevant colleagues.

Thank you once again for providing pharmacy services in a pandemic and for helping to maintain public confidence in pharmacy at such a critical time.



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