

Mr John Vickers
Director General of Fair Trading
Office of Fair Trading
Fleetbank House
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25th October, 2001

Dear John Vickers

RE: Supercomplaint on Private Dentistry

As you know Consumers' Association has been investigating the private dentistry market for some time. We have published the basic findings of that research in our publications Which? and Health Which? We are sufficiently concerned about the operation of this market and the place of the consumer within it that we are making it the first subject of a 'supercomplaint'.

Background

At least one in four adults has private dental treatment - either through choice or because they can't find a dentist in their area who will treat them on the NHS. Also, many people who are registered as NHS patients will occasionally have private treatment on a one-off basis. Most dentists offer both private and NHS treatment - although many of these only offer NHS treatment to particular groups (e.g. children of their adult patients). There are still relatively few purely private dentists.

Our research on the market, and the feedback that we have received from our members and the general public, indicate that there are a number of core problems worthy of further investigation.

Transparency

One of the key problems for consumers in the private market appears to be a lack of pricing transparency. Consumers can neither identify a 'fair' price for a treatment, nor can they often gain access to a pricing list for treatments offered by different dentists. In our research we found that some dentists would indeed provide a list of private fees, while others refused to give any prices at all prior to examination. We also found that no 'rate card' (such as charges applied under the NHS) was available to enable consumers to judge the price that they were charged.

Competition

Our research indicates that the prices charged for private dental treatment differ enormously within specific towns and between these towns. The charges levied thus do not appear to be

governed by the prices charged by other dentists, nor by the costs of doing business. This suggests a failure of competition in terms of prices charged for dental treatments.

New entry - capitation and dental chains

One would expect to find a pattern of new entry in a market as fragmented as this one. Indeed, there has been the entry of a number of capitation schemes (insurance/pre-payment schemes) and chains (such as Boots Dentalcare). From our own findings these schemes do not appear to be using their scale of operation to bring charges down for private patients. Indeed for some treatments charges by chains are somewhat higher than average. The pattern of new entry and payment systems appear not to have either triggered greater competition, nor injected a greater degree of transparency into the market.

Redress and complaints handling

Private dental treatment is particularly lacking in an effective uniform redress system. While NHS treatment operates under the rubric of the NHS complaints system, hardly a model of efficiency and speed itself, private treatment lacks any particular system. If a redress system is in place it is at the discretion of the individual dentist, although the General Dental Council state that a member must have a complaints system. It would appear that in the absence of an overarching scheme, the consumer has no option but to sue for negligence or some form of breach of contract. This situation applies even where an NHS patient has had private treatment on a one-off basis.

Access

Our research, published in Health Which? indicates that it can be extremely difficult to gain access to an NHS dentist in many areas. The effect that this has on the market for dentistry services is obviously significant. If the NHS provides a floor and thereby a benchmark for dentistry charges it can only fulfil this role if there is sufficient choice for consumer between the two branches. The NHS can only act as a means of disciplining pricing by private dentistry if the private dentists identify a sufficient threat from an NHS dentist taking their clients. Conversely the lack of access to NHS dentistry removes any pricing discipline and benchmarking, which combined with the lack of price transparency, frees private dentistry from significant competitive pressure. If access to NHS dentistry was easy then the consumer would be faced with a choice between an affordable NHS option, probably combined with a significant period of delay before treatment; or a visit to a private dentist, at great cost but probably a shorter waiting time.

Failure of guidance

We note that the British Dental Association provides guidance to members that includes a requirement that dentists provide an outline of the treatment planned, along with a schedule of charges. Our own research tends to indicate that a significant number of dentists do not provide details of private charges. It would thus appear that the issuance of guidance, and its enforcement, by a professional body should be included in the assessment of the problem.

Conclusion

We feel that our research points to a number of distinct problems in the market for dentistry services. These problems include traditional problems of market failure and lack of competition

alongside consumer protection issues and the relationship between private and state provider health services. We trust that the information that we have provided indicate the importance of the problem and hope that you will take this complaint forward as if it were a supercomplaint and undertake a thorough examination of the sector.

Yours sincerely,

Allan Asher
Director of Campaigns and Corporate Communications