Funds in a Second or Third Account Did Not Return

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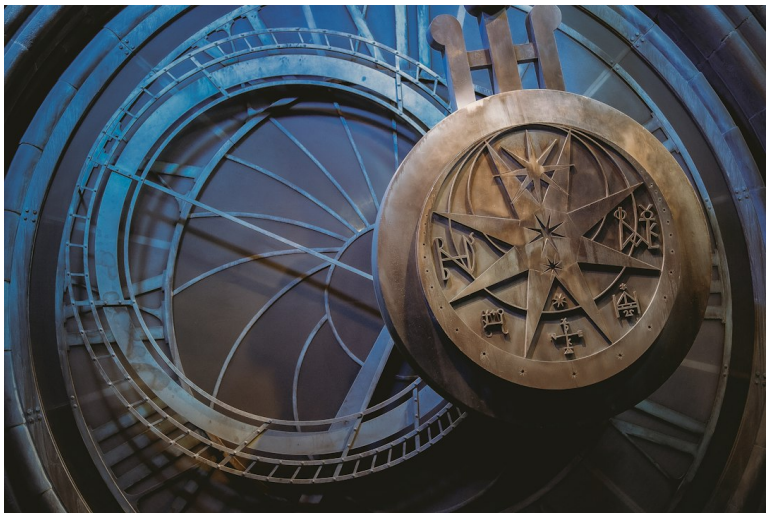


Photo by Rhii Photography on Unsplash

A later BIP44 account may be skipped during recovery when an earlier account has no transaction history. Add accounts in order until the balance appears.

Contents

How BIP44 accounts are discovered	2
Why a later account can be skipped	2
Add accounts manually during recovery	2
Prevent the discovery gap	3
FAQ	3
Sources	3
BIP39 format examples	4
Reading a BIP39 phrase	4
See also	5

Funds can appear to be missing after restoring a wallet when they were received through a later BIP44 account. The recovery phrase may be correct, while automatic account discovery stops before reaching the account that contains the funds.

How BIP44 accounts are discovered

BIP44 organizes deterministic wallet accounts into derivation paths. The account portion of the path is represented by `m/44'/coin_type'/account'`. Account numbers usually begin at `0`, so the first account is account 0, the second is account 1, and the third is account 2. The coin type and the remaining address-chain and address-index components depend on the asset and wallet implementation.

A wallet that restores a phrase usually cannot scan every possible account indefinitely. For account discovery, BIP44 specifies that accounts are scanned in order and discovery stops when an account has no transaction history. The wallet normally examines the external or receiving chain and applies an address gap limit while looking for activity.

This creates an important dependency between accounts. The BIP44 discovery rule assumes that account 0 is used before account 1, and account 1 is used before account 2. An account with no history can be treated as the end of the account sequence during automatic discovery.

Why a later account can be skipped

Suppose funds were received in account 2, but account 1 was created and never used. During restoration, the wallet may scan account 0 and find history. It then scans account 1 and finds no transaction history. Following the BIP44 discovery rule, it stops there. It does not continue to account 2, so the balance in account 2 is absent from the restored wallet view.

The funds have not moved to account 1, and the recovery phrase has not changed. The wallet simply has not derived and checked the later account. A blockchain explorer may still show the funds at addresses belonging to account 2, because those addresses remain controlled by the same seed and derivation path.

The same issue can occur when an account was used only on a different network, when the restored wallet selected a different coin type, or when the original wallet used a different derivation scheme. Those cases require matching the original wallet’s asset, network, account type, and derivation settings. A BIP44 account-discovery issue is only one possible explanation for a missing balance.

Add accounts manually during recovery

Use the original wallet application, or a compatible wallet that supports the same asset and derivation standard. Before adding accounts, verify that you selected the correct recovery method, asset, network, and optional BIP39 passphrase. A different BIP39 passphrase produces a different wallet even when the 12 or 24 recovery words are identical.

Then add accounts in numerical order:

1. Restore the wallet from the recovery phrase and open the first account, usually account 0.
2. Confirm that the wallet is using the expected network and address format. Do not send funds while investigating.
3. Use the wallet’s `Add account`, `Create account`, or equivalent control to add the next account. In a BIP44 wallet, this normally derives account 1.

4 Wait for the wallet to synchronize and check the account's receiving and change history, transaction list, and balance.

5 If the account is empty, add the next account, such as account 2. Continue one account at a time.

6 Stop when the missing balance or an address you recognize appears. Record the account number and derivation path shown by the wallet.

Some wallets do not display an account until it has been added manually. Others scan a fixed number of accounts but still need a manual rescan. If the balance appears only after adding a later account, allow synchronization to finish before deciding that the amount is wrong.

If no account contains the funds, compare a receiving address from the original wallet with addresses in the restored accounts. Check the address format and network carefully. Also test the BIP39 passphrase if one was used; an empty passphrase and a non-empty passphrase are separate wallets. Do not enter the recovery phrase or passphrase into a website or send it to support. Use an offline or trusted wallet recovery process and keep the phrase out of screenshots and logs.

Prevent the discovery gap

Create and use accounts sequentially. Before relying on account 1 or account 2, create activity in every earlier account so that the wallet's discovery process can recognize those accounts as used. Keep a private record of the account number, asset, network, address type, and derivation path used for each account.

A wallet may use a different standard, such as a legacy or SegWit-specific path, even for the same recovery phrase. If manual BIP44 accounts remain empty, restore with the original wallet or identify its documented derivation path before making further changes. Never overwrite the original backup while troubleshooting.

FAQ

Does adding an account create a new recovery phrase?

No. A standard deterministic wallet derives another account from the existing recovery phrase. The account has its own addresses and private keys, but the seed backup remains the root of the wallet.

Why did the wallet stop at an empty account?

BIP44 account discovery scans accounts in order and stops at the first account with no transaction history. This prevents an unbounded search and assumes accounts are used sequentially.

How many accounts should I add?

Add them in order until the expected address or balance appears, then verify the asset, network, passphrase, and derivation path. If none appears, the original wallet may use another derivation standard or account sequence.

Sources

- BIP-0044: Multi-Account Hierarchy for Deterministic Wallets (github.com)
- BIP-0039: Mnemonic code for generating deterministic keys (github.com)
- BIP-0032: Hierarchical Deterministic Wallets (github.com)

> Continue reading on bip39-phrase.com: Derivation Path Explained: What m/44'/0'/0'/0/0 Means
> More on this topic: Recovery

BIP39 format examples

Randomly generated sequences of words from the BIP39 English wordlist. None of them passes the BIP39 checksum, so no wallet will accept them: they show the format only. Never store funds with a phrase you found in a document.

Example 1

1	2	3	4	5	6
program	dignity	ketchup	calm	material	icon
7	8	9	10	11	12
chronic	match	simple	tank	case	tiny

Example 2

1	2	3	4	5	6
half	action	jungle	alcohol	citizen	cute
7	8	9	10	11	12
junk	focus	essence	empty	round	trouble

Example 3

1	2	3	4	5	6
bargain	fork	duck	clap	salon	essence
7	8	9	10	11	12
album	tortoise	fence	cruel	crane	tiny

Example 4

1	2	3	4	5	6
poem	coffee	appear	stool	abandon	cinnamon
7	8	9	10	11	12
you	drill	annual	tongue	orbit	device

Example 5

1	2	3	4	5	6
sadness	effort	champion	cake	hotel	praise
7	8	9	10	11	12
gesture	rate	comfort	shiver	sock	cigar

Example 6

1	2	3	4	5	6
about	heart	kingdom	project	stomach	wolf
7	8	9	10	11	12
dismiss	lava	boat	cash	person	exact

Example 7

1	2	3	4	5	6
urban	share	fringe	siren	orphan	elephant
7	8	9	10	11	12
moment	coral	unlock	joy	scorpion	throw

Reading a BIP39 phrase

Every word stands for an 11-bit number: its position in the 2048-word list, counted from 0. Here is Example 1 decoded word by word. Each word links to its page on bip39-phrase.com, where the list is numbered from 1.

#	Word	Index (0-2047)	Word no.	11 bits
1	program	1375	1376	10101011111

#	Word	Index (0-2047)	Word no.	11 bits
2	dignity	496	497	00111110000
3	ketchup	975	976	01111001111
4	calm	260	261	00100000100
5	material	1095	1096	10001000111
6	icon	898	899	01110000010
7	chronic	323	324	00101000011
8	match	1094	1095	10001000110
9	simple	1608	1609	11001001000
10	tank	1773	1774	11011101101
11	case	281	282	00100011001
12	tiny	1811	1812	11100010011

The 12 words carry 132 bits: 128 bits of entropy followed by a 4-bit checksum. The checksum must equal the first 4 bits of the SHA-256 hash of the entropy.

`Entropy (hex): abe7c1e790488ee08a1c46c91bb48cf1`

This sequence ends in the checksum bits 0011, but SHA-256 of its entropy starts with 0111, so wallets reject it as an invalid phrase. That is the point of the checksum: about 15 of every 16 random or mistyped sequences fail it.

See also

- Coins Sent to Mistyped or Wrongly Restored Wallets · October 15, 2026
- What a Change Address Is and Why Wallets Create One · October 15, 2026
- Recovering Funds Sent to Contract Wallets on Other Chains · April 23, 2026
- Recovering Coins Across Multiple Address Types · October 22, 2026

Educational document. The example sequences are random and fail the BIP39 checksum: they are not wallets and must never hold funds. Security notes: bip39-phrase.com/security/